

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 FEBRUARY 28, 2015**

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 February 28, 2015*, for the above-referenced receivership estate. The Financial Report and Summary of Statement of Expense covers the period of December 1, 2014 through February 28, 2015.

Respectfully submitted,

Wisener Nunnally Roth, L.L.P

Original signed by

By:

Robert H. Nunnally, Jr.
Bar No. 15141600

Michael Roth
Bar No. 24070531

245 Cedar Sage Drive, Suite 240
Garland, Texas 75040
T: 972.530.2200
F: 972.530.7200

*Attorneys for Jean Johnson, Special Deputy
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 the following interested parties in accordance with Tex. Ins. Code §443.007(d) and the Rehabilitation Order this the 17th day of March, 2015.

Mr. Tom Collins, Receivership Master
by serving his Docket Clerk
Texas Department of Insurance
333 Guadalupe, Tower III, 5th Fl., MC-305-1D
Austin, Texas 78701
specialmasterclerk@tdi.texas.gov

Ms. Jemmie Russell, Rehabilitation & Liquidation Oversight
Texas Department of Insurance
333 Guadalupe St., Tower III
5th Floor, MC-305-1C
Austin, Texas 78701
Jemmie.Russell@tdi.texas.gov

Universal Health Care Group, Inc.
c/o Soneet Kapila, Chapter 11 Trustee
1000 South Federal Highway, Ste. 200
Fourt Lauderdale, Florida 33316
SKapila@kapilaco.com

Soneet R. Kapila, Ch. 11 Trustee
c/o Roberta A. Colton, Esq.
Trenam Kemker
P.O. Box 1102
Tampa, FL 33601
rcolton@trenam.com
jfolman@trenam.com
idawkins@trenam.com

Patrick Cantilo
SDR for Universal HMO of Nevada, Inc.
Cantilo & Bennett LLP
11401 Centur Oaks Terrace, Ste. 300
Austin, Texas 78758-8702
phcantilo@cb-firm.com

Robert H. Nunnally, Jr.
Wisener Nunnally Gold, LLP
245 Cedar Sage, Ste. 240
Garland, Texas 75040
robert@wnrlaw.com

Fifth Third Bank
Attn: Muffin White, Assistant Vice President
201 East Kennedy Blvd, Ste. 1800
MD T201KA
Tampa, Florida 33602
Muffin.White@53.com

Dr. A. K. Desai
drakdesai86@gmail.com

E. Stuart Phillips, Staff Attorney
Texas Department of Insurance
P.O. Box 149104
Austin, Texas 78714
stuart.phillips@tdi.texas.gov

Universal Health Care Group, Inc.
c/o Jeff Friedman, Esq.
575 Madison Avenue
New York, New York 10022-2585
jeff.friedman@kattenlaw.com

BankUnited, N.A.
c/o Frank Terzo, Esq.
1221 Brickell Avenue, Ste. 1600
Miami, Florida 33131
frank.terzo@gray-robinson.com

Wells Fargo Bank, N.A.
Attn: Tyree B. Bedell
Senior Relationship Associate
150 2nd Avenue North, Ste. 300
St. Petersburg, Florida 33701
tyree.bedell@wellsfargo.com

Sha'Ron James, Division Director
Division of Rehabilitation & Liquidation
Florida Department of Financial Services
200 East Gaines Street
Tallahassee, Florida 32399
Sha'Ron.James@myfloridacfo.com

Amy Jeanne Welton
P.O. Box 1644
Dripping Springs, Texas 78620-1644
ajwelton@ajweltonlaw.com

Leah Stewart
Beatty Bangle Strama P.C.
400 West 15th Suite 1450
Austin, Texas 78701
lstewart@bbsfirm.com

Leigh Vandiver Graves
Fultz Maddox Hovious & Dickens
101 South Fifth Street, 27th Floor
Louisville, KY 40202
lvgraves@fmhd.com

Susanne Boston
Wise County Medical & Surgical Association
1001 Eagle Drive
Decatur, TX 76234
susanneboston@msn.com

Tammi Scott
Scott Medical
6236 N. Hwy 146, Suite 9
Baytown, TX 77523
tscott@scottmedical.net

Traci L. Cotton
Managing Attorney
Claims & Financial Litigation
The University of Texas System
Office of General Counsel
201 W. 7th Street
Austin, TX 78701
tcotton@utsystem.edu

Ms. Kathy Gartner, Receivership Analyst
Rehabilitation & Liquidation Oversight Div.
333 Guadalupe St., Tower III, 5th Floor
Room 550-I, O/S, Mail Code 305-1D
Austin, Texas 78701
kathy.gartner@tdi.texas.gov

Cynthia A. Morales
Attorney-in-Charge
Financial Litigation, Tax, and Charitable Trusts
Division
Cynthia.morales@texasattorneygeneral.gov
P.O. Box 12548
Austin, Texas 78711-2548

Arati Bhattacharya
Cantilo & Bennett LLP
11401 Century Oaks Terrace, Ste. 300
Austin, Texas 78758-8702
abhattacharya@cb-firm.com

Original signed by

Michael Roth

FINANCIAL REPORT
Relating to
Universal HMO of Texas, Inc.
For the Quarter Ending February 28, 2015

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

**For the Period Ending
02/28/15**

Line		02/28/15
Cash		
1	Cash	
	Cash - Unrestricted	11,574,031
	APF Funds (Loan proceeds)	
Investments		
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	
Restricted Assets		
10	Statutory Deposits	1,505,000
11	Funds held by or deposited with Reinsured Companies	
12	Restricted - Other	
Reinsurance Receivable		
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	
Other Receivables		
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	
Other Assets		
21	FF&E	
22	Other Assets	
	Total Assets	13,079,031

NOTES

Ref No.

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

**Universal HMO of Texas
Statement of Net Assets****For the Period Ending
02/28/15**

The following assets have been identified on the Company books and 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	216,006
Prepaid Claims to Third Party Administrators	9,642
Deferred Commission Expense	299,495
Deferred Tax Asset	306,687
Reserve for Uncollectible Amounts	<u>(6,005,482)</u>
Net Amount	<u><u>\$0</u></u>

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

02/28/15

Line		11/30/14	02/28/15	Change
Cash				
1	Cash			
	Cash - Unrestricted	11,803,295	11,574,031	(229,264)
	APF Funds (Loan proceeds)	0	0	0
Investments				
2	Short-Term Investments	0	0	0
3	Bonds	0	0	0
4	Stocks - Preferred & Common	0	0	0
5	Investments in Subsidiaries, Controlled or Affiliated Entities	0	0	0
6	Mortgage Loans	0	0	0
7	Real Estate	0	0	0
8	Policy Loans	0	0	0
9	Other Invested Assets	0	0	0
Restricted Assets				
10	Statutory Deposits	1,505,000	1,505,000	0
11	Funds held by or deposited with Reinsured Companies	0	0	0
12	Restricted - Other	0	0	0
Reinsurance Receivable				
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	0	0	0
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	0	0	0
15	Reinsurance Recoverables on UEP & Contingent Commissions	0	0	0
Other Receivables				
16	Salvage & Subrogation Recoveries	0	0	0
17	Premiums Due from Agents & Policyholders	0	0	0
18	Receivable from Parents, Subsidiaries & Affiliates	0	0	0
19	Receivable from Guaranty Associations - Early Access Payments	0	0	0
20	Other Receivables	0	0	0
Other Assets				
21	FF&E	0	0	0
22	Other Assets	0	0	0
Total Assets		13,308,295	13,079,031	(229,264)

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

**For Period Ending
02/28/15**

Line		02/28/15
1	Secured Claims	
2	APF Loan	
3	Special Deposit Claims	
Administrative Claims - Class 1		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	36,279
	Liquidation Oversight	2,731
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	
	LAE Reserves	
Policy Claims - Class 2		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	
	Loss Claims Reserves	
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	13,762,046
9	LAE - Other	62,875
10	Unearned & Advance Premium Claims - GA	
11	Unearned & Advance Premium Claims - Other	
Other Liabilities		
12	Class 3 Claims	
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	423,331
15	Class 5 Reinsurance Related Unsecured Claims	
16	Class 6 Claims	
17	Class 7 Claims	
18	Class 8 Claims	59,260
19	Class 9 Claims	
20	Class 10 Interest	
21	Class 11 Claims	59,132,335
22	Other Liabilities	
	Total Liabilities	73,478,857
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(60,399,826)
	Total Liabilities & Equity	13,079,031

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

**For Period Ending
02/28/15**

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. To date, all proof of claims (POC) have not been formally adjudicated and the reserve amount will be updated as warranted throughout the POC process.
- 9 Represents amounts reserved based on review of company books and records. To date, all proof of claims (POC) have not been formally adjudicated and the reserve amount 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. The review of proof of claims is in progress and the amounts will be updated as warranted through the adjudication process.
- 21 Represents claims from minority shareholders in the parent company and claims of the secured creditor of the parent company.

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

02/28/15

Line		11/30/14	02/28/15	Change
1	Secured Claims	0	0	0
2	APF Loan	0	0	0
3	Special Deposit Claims	0	0	0
Administrative Claims - Class 1				
4	Administrative Claims - State/Receiver	0	0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	56,360	36,279	(20,081)
	Liquidation Oversight	3,198	2,731	(467)
	Special Master's Fees	0	0	0
5	Administrative Claims - Guaranty Assns	0	0	0
	Administrative Expense Paid	0	0	0
	Administrative Expense Reserves	0	0	0
6	LAE - Guaranty Assns	0	0	0
	LAE Paid	0	0	0
	LAE Reserves	0	0	0
Policy Claims - Class 2				
7	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	0	0	0
	Loss Claims Reserves	0	0	0
8	Loss Claims - Other	0	0	0
	Other Loss Claims Paid	0	0	0
	Other Loss Claims Reserves	13,125,108	13,762,046	636,938
9	LAE - Other	62,875	62,875	0
10	Unearned & Advance Premium Claims - GA	0	0	0
11	Unearned & Advance Premium Claims - Other	0	0	0
Other Liabilities				
12	Class 3 Claims	0	0	0
13	Class 4 Claims	0	0	0
14	Class 5 General Unsecured Creditor Claims	786,139	423,331	(362,808)
15	Class 5 Reinsurance Related Unsecured Claims	0	0	0
16	Class 6 Claims	0	0	0
17	Class 7 Claims	0	0	0
18	Class 8 Claims	98,949	59,260	(39,689)
19	Class 9 Claims	0	0	0
20	Class 10 Interest	0	0	0
21	Class 11 Claims	59,132,335	59,132,335	0
22	Other Liabilities	0	0	0
	Detail Item if any	0	0	0
	Detail Item if any	0	0	0
	Total Liabilities	73,264,964	73,478,857	213,893
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(59,956,669)	(60,399,826)	(443,157)
	Total Liabilities & Equity	13,308,295	13,079,031	(229,264)

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

**For Period Ending
02/28/15**

	Qtr Ending Feb-15
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	350
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	22
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	372
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	1,137
Total Cash Receipts	1,509
Disbursements	
SDR Fees & Expenses	25,619
Subcontractor Legal Fees & Expenses	17,675
Subcontractor Other Fees & Expenses	75,706
Non-Subcontractor Fees & Expenses	98,925
Other Expenses	1,042
RLO Fees & Expenses	11,806
Total Disbursements for Operations	230,773
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	230,773
Net Increase(Decrease) in Cash	(229,264)
Cash at Beginning of Period	11,803,295
Cash at End of Period	11,574,031

SUMMARY OF STATEMENT OF EXPENSE
Relating to
Universal HMO of Texas, Inc.
For the Quarter Ending February 28, 2015

Universal HMO of Texas
Statement of Expenses

For Period Ending
02/28/15

	Total Dec	Total Jan	Total Feb	Total Quarter
SDR				
SDR				
SDR	10,518.00	7,050.00	9,217.50	26,785.50
SDR Travel	0.00	337.50	0.00	337.50
Expenses	0.00	487.50	0.00	487.50
Total SDR Billing	10,518.00	7,875.00	9,217.50	27,610.50
SDR Subcontractors - Legal				
Wisener Nunnally Gold, LLP				
Attorney-Partner	2,952.00	4,032.00	3,960.00	10,944.00
Attorney-Partner Travel	0.00	216.00	0.00	216.00
Attorney-Associate	1,062.00	1,008.00	180.00	2,250.00
Expenses	27.88	598.04	30.02	655.94
Total Billing	4,041.88	5,854.04	4,170.02	14,065.94
Glen Rasmussen, P.A.				
Attorney	0.00	0.00	2,115.00	2,115.00
Expenses	0.00	0.00	15.10	15.10
Total Billing	0.00	0.00	2,130.10	2,130.10
Thompson Coe				
Attorney-Partner	0.00	0.00	416.50	416.50
Associate	0.00	0.00	760.50	760.50
Expenses	0.00	0.00	5.41	5.41
Total Billing	0.00	0.00	1,182.41	1,182.41
Total Legal Subcontractors	4,041.88	5,854.04	7,482.53	17,378.45
SDR Subcontractors - Other				
Administrative Insurance Management (AIMS)				
Specialist	6,120.00	2,497.50	5,355.00	13,972.50
Specialist - Travel	0.00	202.50	0.00	202.50
Claims Specialist	3,825.00	375.00	1,012.50	5,212.50
Claims Manager	10,800.00	12,000.00	12,000.00	34,800.00
Clerical	1,085.00	2,117.50	0.00	3,202.50
Expenses	0.00	504.05	6.70	510.75
Total Billing	21,830.00	17,696.55	18,374.20	57,900.75
Petrosewicz & Company, Inc.				
Accounting Manager/	507.50	332.50	280.00	1,120.00
Accountant/	1,149.50	1,073.50	883.50	3,106.50
Expenses	16.94	18.84	40.76	76.54
Total Billing	1,673.94	1,424.84	1,204.26	4,303.04
Total Other SDR Subcontractors	23,503.94	19,121.39	19,578.46	62,203.79
Receivership Service Providers				
Gorman Health Group (MRA Receivable Collection Expense)	4,237.50	14,475.00	9,437.50	28,150.00
MedSave USA (Chart Retrieval of RAPS Reports)	56,088.60	0.00	6,412.50	62,501.10
Chase Operating Account Charges	95.00	95.00	95.00	285.00
Fifth Third Depository Account Charges	88.01	0.00	0.00	88.01
Texas Dept of Insurance Fee-Processing for Release of Statutory Dep	0.00	50.00	0.00	50.00
Texas Treasury	203.24	208.65	206.82	618.71
Total Other	60,712.35	14,828.65	16,151.82	91,692.82
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	98,776.17	47,679.08	52,430.31	198,885.56
Liquidation Oversight Allocation				
RLO Allocation	3,423.37	5,184.56	2,447.90	11,055.83
Special Master's Fees	0.00	0.00	283.32	283.32
Total RLO & SM Expense	3,423.37	5,184.56	2,731.22	11,339.15
Total Expenses	102,199.54	52,863.64	55,161.53	210,224.71