

**IN THE CIRCUIT COURT OF THE
SECOND JUDICIAL CIRCUIT IN
AND FOR LEON COUNTY, FLORIDA**

IN RE:

The Receivership of DOCTORCARE
INC., a Florida Corporation.

CASE NO.: 06-CA-2965

**RECEIVER'S MOTION FOR ORDER APPROVING DISCHARGE
ACCOUNTING STATEMENT, DIRECTING FINAL DISCHARGE AND
AUTHORIZING DESTRUCTION OF OBSOLETE RECORDS**

The Florida Department of Financial Services, as Receiver of DoctorCare, Inc. (hereinafter "Receiver"), by and through its undersigned counsel, moves this Court for entry of an Order approving the Discharge Accounting Statement, for an Order directing final discharge of the estate, and further moves the Court for an Order authorizing the destruction of obsolete records, and in support of its Motion states as follows:

1. On November 27, 2006, this Court entered an Order Appointing the Florida Department of Financial Services as Receiver for Purposes of Liquidation, Injunction, and Notice of Automatic Stay, effective December 1, 2006.

2. DoctorCare, Inc. ("DoctorCare") was a Medicare-approved health maintenance organization ("HMO") with approximately 5,700 subscribers and 4,000 providers. Upon DoctorCare's liquidation, those subscribers were assigned to one of two other HMOs which agreed to assume the former DoctorCare members.

3. This Court has jurisdiction over the DoctorCare receivership and is "authorized to make all necessary or proper orders to carry out the purposes of" the Florida Insurers Rehabilitation and Liquidation Act, Section 631.021(1), Florida Statutes.

4. As DoctorCare was a Medicare Advantage HMO, there was no guaranty association to pay claims. The total number of filed claims was 8,268, for a total amount claimed of \$79,757,429.49.

5. This Court previously entered, among others, the following orders: a) an Order Approving Final Claims Report, Claims Distribution Report and Distribution Accounting and Authorizing Distribution was entered on May 17, 2011, which authorized a partial distribution of estate assets in the amount of \$30,731.63 on allowed claims in Class 2, and the Receiver made said distribution; and b) an Order approving Second Claims Distribution Report and Final Claims Distribution Accounting, Authorizing Final Distribution, and Confirming Deadline to File Assignments of Claim was entered on October 4, 2012, directing a final distribution of estate assets in the amount of \$3,406,081.62 to all allowed claims in Class 6, which has been made.

6. Following entry of the above Orders, the Receiver made distributions of 100% on class 1 through 5 claims and 22.4533% on approved class 6 claims.

7. Despite the Receiver's best efforts, some approved claims may have inadequate current address information and/or may have not provided the Receiver with a form W-9, required by the Internal Revenue Service. The total unclaimed property in the estate is \$437,771.97 and the Receiver recommends that it be transferred to the Bureau of Unclaimed Property.

8. The Receiver plans to transfer said unclaimed funds to the Department of Financial Services as "unclaimed property" pursuant to Section 717.119, Florida Statutes.

9. The Receiver's Discharge Accounting Statement – Projected as of January 2013 (the “Discharge Accounting”) is attached hereto as Exhibit “A.”

10. As shown in the Discharge Accounting, the estimated value of all assets of the DoctorCare receivership estate is projected to be \$444,665.70 as of January 2013.

11. The Receiver requests authority to retain \$3,500 as a reserve for “wind up” expenses of the Receivership. The de minimus amounts of any leftover reserve wind up expenses and the remaining balance of funds would make it impractical to make an additional distribution.

12. The Receiver receives an annual budget from the State of Florida's Insurance Regulatory Trust Fund (“RTF”), which funds a portion of the Receiver's costs and expenses of administration. The Receiver funds the majority and remainder of its budget from the open receiverships it supervises. The portion funded by the RTF supports several state funded positions with the Receiver and includes their direct labor and a portion of the Receiver's overhead. Each receivership estate is charged a portion of these state funded costs (recorded as Contributed Equity) and expenses based on certain allocation formulas. It is the Receiver's policy to reimburse the RTF, when possible, for Contributed Equity. The reimbursement is made as a distribution of the Receiver's costs and expenses of administration, as well as the claims of state and local governments pursuant to Florida Statutes Section 631.271. The Contributed Equity for DoctorCare as of January 31, 2013 was calculated at \$52,231.35.

13. After the Receiver transfers the funds discussed above to the Department of Financial Services as unclaimed property and pays all of the Receiver's windup expenses, it is estimated that there will be approximately \$3,393.73 remaining in the

estate. The Receiver requests the authority to transfer the actual remaining amount to the RTF pursuant to the Receiver's policy for reimbursing Contributed Equity and Florida Statutes Section 631.271.

14. Due to an exhaustion of funds in the DoctorCare estate, the Receiver has found it necessary to fund the discharge of this estate by obtaining an additional \$30,000 from the RTF. This additional available cash is reflected in the Discharge Accounting. This recent funding would be a liability of the insurance company going forward, but for the propose discharge. The Receiver recommends that any residual funds post-discharge and any recoveries made by the Division in the future first be applied to repay this \$30,000, before any other payments are made to the RTF as recommended below.

15. Upon approval of the Receiver's request for final discharge, the records of the DoctorCare receivership estate will no longer be needed, and it will be necessary to dispose of the obsolete company records. This request is in direct compliance with Article 1, Section 24, Florida Constitution, Chapters 119 and 257, Florida Statutes, and Chapters 1B-24 and 1B-26.003, Florida Administrative Code.

16. Although such recovery is unlikely, the Receiver requests an order authorizing the Division of Rehabilitation and Liquidation to remit to the RTF any assets which may be recovered following the discharge of this receivership if, in the Division's discretion, the value of the recovered assets does not justify the reopening of this receivership estate.

17. The Receiver further requests an Order that the Receiver shall be fully and finally discharged of its responsibilities in this Receivership.

WHEREFORE, the Receiver respectfully requests the Court grant this Motion and enter an Order:

- A. Approving and adopting the Receiver's Discharge Accounting Statement.
- B. Authorizing and directing the Receiver to retain \$3,500 as a reserve for wind up expenses of the Receiver. Any surplus remaining from the \$3,500 shall be paid to the Regulatory Trust Fund;
- C. Authorizing and directing the Receiver to transfer the funds remaining in the estate (approximately \$3,393.73) to the Regulatory Trust Fund;
- D. Authorizing and directing the Receiver to transfer unclaimed funds to the Department of Financial Services as unclaimed property pursuant to Section 717.119, Florida Statutes;
- E. Authorizing the Receiver to reimburse the Florida Insurance Regulatory Trust Fund the amount of \$30,000 for its January, 2013 advance, as the first priority for any and all funds recovered after discharge before any other payments are made to the Regulatory Trust Fund;
- F. Authorizing the Receiver, after final discharge, to destroy any obsolete records in the Receiver's possession; and
- G. Directing, without further order of this Court, the final discharge of the Receiver of its responsibilities in this receivership estate as of 11:59 P.M. on January 31, 2013.
- H. Although such recovery is unlikely, authorizing the Division of Rehabilitation and Liquidation to remit to the Regulatory Trust Fund any assets which may be recovered following the January 31, 2013 discharge of this receivership

estate if, in the Division's sole discretion, the value of the recovered assets does not justify the reopening of this receivership.

RESPECTFULLY SUBMITTED this 18th day of January, 2013.

s/ Jody E. Collins

Jody E. Collins, Senior Attorney

Florida Bar No. 500445

Florida Department of Financial Services

Division of Rehabilitation and Liquidation

8240 NW 52 Terrace, Suite 102

Doral, FL 33152

(786) 336-1371 Telephone

(305) 499-2271 Facsimile

Jody.Collins@myfloridacfo.com Email

DoctorCare, Inc.
Discharge Accounting Statement
Projected for Discharge in January 2013

ASSETS

Cash	<u>Amount</u>	
	\$ 444,665.70	Schedule A
Total Assets	<u>\$ 444,665.70</u>	

LIABILITIES

	<u>Recommended</u>	
	<u>Disbursement</u>	
Payable to Fla. Dept. Financial Services Bureau of Unclaimed Property	\$ 437,771.97	
Total Liabilities	<u>\$ 437,771.97</u>	

WINDUP SUMMARY

Funds Available for Windup Expenses	6,893.73	
Projected Windup Expenses	<u>(3,500.00)</u>	Schedule D
Balance (Any Remaining Funds to the Florida Insurance Regulatory Trust Fund)	<u>3,393.73</u>	

Index to Attached Schedules:

- Schedule A - Available Cash Projection
- Schedule B - Allocated State Funds Expensed
- Schedule C - Interest Earnings Projection
- Schedule D - Receiver Windup Expenses
- Schedule E - Contributed Equity and Advances from the Regulatory Trust Fund

DoctorCare, Inc.
Available Cash Projection
Projected for Discharge In January 2013

	Cash Balance as of November 30, 2012	Dec-12	Jan-13
Beginning Cash Balance		\$ 132,148.77	\$ 422,213.70
Outstanding Distribution Checks Voided		\$ 297,612.93	
Advance from Regulatory Trust Fund (Note 1)			\$ 30,000.00
Sub-total		<u>297,612.93</u>	<u>30,000.00</u>
Direct Receiver Expenses			
Storage, Utilities, Postage, Misc.		150.00	150.00
Sub-total		<u>150.00</u>	<u>150.00</u>
Allocated Receiver Expenses			
Labor & Benefits		7,398.00 ¹	7,398.00 ¹
Indirect Expenses		0.00 ²	0.00 ²
Sub-total		<u>7,398.00</u>	<u>7,398.00</u>
Cash Balance Before Interest Earnings		<u>422,213.70</u>	<u>444,665.70</u>
Interest Earnings			
Actual interest earned on SPIA APR on the previous month's average Pooled Cash		-	-
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash		-	-
Ending Cash Balance	<u>\$ 132,148.77</u>	<u>\$ 422,213.70</u>	<u>\$ 444,665.70</u>

Assumptions for Allocated Receiver Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average.

August actual	830.93
September actual	12,021.52
October actual	8,802.68
November actual	7,938.42
Sub-total	<u>29,593.55</u>
4 month actual average (rounded)	<u>7,398.00</u>

² Indirect Expenses: This estimate is DoctorCare's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on DoctorCare's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	0.00%
Estimated Total for the Receiver	\$ 165,000.00
Estimated Expense (doubled for increased activity)	<u>\$ -</u>

Note (1): Per the Receiver's Policy R3-6.11, Advance from Regulatory Trust Fund, this amount will be recorded as a liability and will be reimbursed prior to making distribution for any other claimants.

DoctorCare, Inc.
Allocated State Funds Expensed (Contributed Equity)
Projected for Discharge In January 2013

	<u>December-12</u>	<u>January-13</u>	<u>Totals</u>
Estimated Accrual of Allocated State of Florida Expenses			
Labor & Benefits	\$ 160.00 ¹	\$ 160.00 ¹	\$ 320.00
Indirect Expenses	-	-	-
Total	<u>\$ 160.00</u>	<u>\$ 160.00</u>	<u>\$ 320.00</u>
Total Estimated State of Florida Expenses			<u>\$ 320.00</u>

Assumptions for Allocated State of Florida Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average.

August actual	233.00
September actual	109.48
October actual	124.64
November actual	154.67
Sub-total	<u>621.79</u>
4 month actual average (rounded)	<u>160.00</u>

² Indirect Expenses: This estimate is DoctorCare's estimated pro rata share of the Receiver's estimated total indirect State expenses. The pro rata share calculation is based on DoctorCare's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	0.00%
Estimated Total for the State	<u>\$ 15,000.00</u>
Estimated Expense (rounded)	<u>\$ -</u>

DoctorCare, Inc.
Interest Earnings Projection
Projected for Discharge in January 2013

Interest accrued for December 2012

Beginning cash balance at 12/1/2012	\$ 132,148.77
Ending cash balance at 12/31/2012	422,213.70
Average cash balance for December	277,181.24
Assumed SPIA interest rate (Annualized)	2.00%
Subtotal (Annualized)	5,543.62
Accrual for December (Rounded)	\$ -

Interest accrued for January 2013

Beginning cash balance at 1/31/2013	\$ 422,213.70
Ending cash balance at 1/31/2013	444,665.70
Average cash balance for January	433,439.70
Assumed SPIA interest rate (Annualized)	2.00%
Subtotal (Annualized)	8,668.79
Accrual for January (Rounded)	\$ 1,000.00

DoctorCare, Inc.
Receiver Windup Expenses
Projected for Discharge in January 2013

Windup Expenses (Projected)	
Records storage, records destruction, bank fees tax returns for 2012 & 2013	\$ 3,500.00
Total	<u>\$ 3,500.00</u>

DoctorCare, Inc.
Statement of Contributed Equity and Advances from Regulatory Trust Fund Estimated Balances
Projected for Discharge in January 2013

I. Contributed Equity Balance as of 11/30/12.		\$ 51,911.35
	December 2012 - January 2013 Accrual (Estimate from Schedule B)	<u>\$ 320.00</u>
Total		<u>\$ 320.00</u>
Projected Contributed Equity Balance as of 1/31/13		<u>\$ 52,231.35</u>
II. Advances from Regulatory Trust Fund (RTF) Balance as of 11/30/12		\$ -
	Advance from RTF (January 2013)	<u>\$ 30,000.00</u>
Total		<u>\$ 30,000.00</u>
Projected Advances from RTF Balance as of 1/31/13		<u>\$ 30,000.00</u> Note (1)

Note (1): Per the Receiver's Policy R3-6.11, "Insurance Regulatory Trust Fund - Advance", this amount will be recorded as a liability and will be reimbursed from any future recoveries prior to making distribution to any other claimants.