

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

IN RE: The Receivership of
AVAHEALTH, INC.
d/b/a KEY INSURANCE PLAN

CASE NO.: 2012-CA-001400

**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 AvaHealth, Inc. d/b/a Key Insurance Plan, (hereinafter "Receiver"), by and through the undersigned counsel, hereby moves this Court for entry of an Order Approving the Discharge Accounting Statement, Directing Final Discharge of the Estate, and Authorizing the Destruction of Obsolete Records and as good grounds therefore states:

1. AvaHealth, Inc. d/b/a Key Insurance Plan ("AvaHealth") was a corporation authorized pursuant to the Florida Insurance Code to transact business in the State of Florida as an accident and health insurer.

2. On June 27, 2012, this Court entered an Order Appointing the Florida Department of Financial Services, as the Receiver of AvaHealth for purposes of Rehabilitation, Injunction, and Notice of Automatic Stay, effective July 2, 2012 ("Rehabilitation Order"). By order of this Court, AvaHealth was subsequently placed in receivership for purposes of liquidation on August 31, 2012 ("Liquidation Order").

3. Pursuant to section 631.021(1), Florida Statutes, this Court has jurisdiction over the Receivership and is authorized to enter all necessary and/or proper orders to carry out the purpose of the Florida Insurers Rehabilitation and Liquidation Act, sections 631.001 et seq., Florida Statutes.

4. On June 27, 2014, this Court entered an *Order Approving Receiver's Final Claims Report, Claims Distribution Report, and Distribution Accounting and Authorizing Distribution* ("Distribution Order"). The Order authorized a distribution of estate assets in the amount of \$591,447.46 to all claimants in Classes 1-2 which constitutes 100% of the amount recommended in Class 1 and 91.499% of the amount recommended in Class 2. The calculated distribution percentage takes into account the funds previously disbursed as early access funds.

5. The Receiver's Discharge Accounting Statement—*Projected as of July, 2014*, (the "Discharge Accounting") is attached hereto and incorporated herein by reference as "Exhibit A."

6. As shown in the *Discharge Accounting*, the estimated value of all assets of the AvaHealth receivership estate is projected to be \$619,992.77.

7. Following the Entry of the Distribution Order, the Receiver made a distribution of \$591,447.77 to all claimants in Classes 1-2.

8. As shown in the *Discharge Accounting*, the estimated value of the assets available for "wind up" expenses is \$28,545.00. The Receiver requests authority to retain \$4,500 as a reserve for "wind up" expenses of the Receivership.

9. The Receiver requests an order authorizing the Division of Rehabilitation and Liquidation to remit to the Florida Life and Health Insurance Guaranty Association ("FLAHIGA") any surplus expense funds remaining after discharge.

10. Upon approval of the Receiver's request for final discharge, the records of the AvaHealth receivership estate will no longer be needed, and it will be necessary to dispose of the obsolete company records. Prior to the actual destruction of these records, the Division of Rehabilitation and Liquidation will obtain a "Disposal Authorization Certificate" from the Division of Archives, History and Records Management of the Florida Department of State.

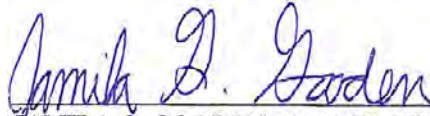
11. Although such recovery is unlikely, the Receiver requests an order authorizing the Division of Rehabilitation and Liquidation to remit to FLAHIGA any assets which may be recovered following the discharge of this receivership if, in the Division's sole discretion, the value of the recovered assets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

12. The Receiver requests an Order that it shall be fully and finally discharged of its responsibilities in this receivership as of 11:59 P.M. on July 31, 2014.

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

- A. Approving and adopting the Receiver's Discharge Accounting Statement;
- B. Authorizing and directing the Receiver to retain \$4,500 as a reserve for "wind up" expenses of the Receiver;
- C. Authorizing the Receiver to remit any surplus expense funds remaining after discharge to FLAHIGA;
- D. Authorizing the Receiver, after final discharge, to destroy any obsolete records in the Receiver's possession;
- E. 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 July 31, 2014; and
- F. Authorizing the Division of Rehabilitation and Liquidation to remit to FLAHIGA any assets which may be recovered following the discharge of this receivership if, in the Division's sole discretion, the value of the recovered assets does not justify the re-opening of this receivership estate.

Respectfully Submitted on this the 17th day of July 2014.



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Avahealth, Inc.
Discharge Accounting Statement
Projected for Discharge in July 2014

ASSETS

Cash	<u>Amount</u>	
	\$ 619,992.77	Schedule A
Total Assets	<u><u>\$ 619,992.77</u></u>	

LIABILITIES

	<u>Recommended</u>	
	<u>Disbursement</u>	
Distribution - July	\$ 591,447.77	
Total Liabilities	<u><u>\$ 591,447.77</u></u>	

WINDUP SUMMARY

Funds Available for Windup Expenses	28,545.00	
Projected Windup Expenses	<u>(4,500.00)</u>	Schedule D
Balance (Any Remaining Funds to the FLAHIGA)	<u><u>24,045.00</u></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 from the Regulatory Trust Fund

Avahealth, Inc.
Available Cash Projection
Projected for Discharge in July 2014

	Cash Balance as of June 30, 2014	Jul-14
Beginning Cash Balance	\$ 627,702.69	\$ 627,702.69
Storage, Utilities, Postage, Bank fees		500.00
Sub-total		500.00
Allocated Receiver Expenses		
Labor & Benefits		7,847.00 ¹
Indirect Expenses		130.00 ²
Sub-total		7,977.00
Cash Balance Before Interest Earnings		619,225.69
Interest Earnings		
Actual June interest earned on SPIA APR on the previous month's average Pooled Cash		767.08
Ending Cash Balance	\$ 627,702.69	\$ 619,992.77

Assumptions for Allocated Receiver Expenses:

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

March Actual	4,091.59
April Actual	16,332.21
May Actual	6,441.32
June Actual	4,521.74
Sub-total	31,386.86
4 month actual average (rounded)	7,847.00

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

Estimated Total Asset %	0.10%
Estimated Total for the Receiver	\$ 130,000.00
Estimated Expense	\$ 130.00

Avahealth, Inc.
Allocated State Funds Expensed (Contributed Equity)
Projected for Discharge in July 2014

	<u>July-14</u>	<u>Totals</u>
Estimated Accrual of Allocated State of Florida Expenses		
Labor & Benefits	\$ - ¹	\$ -
Indirect Expenses (interest)	20.00 ²	\$ 20.00
Total	<u>\$ 20.00</u>	<u>\$ 20.00</u>

Assumptions for Allocated State of Florida Expenses:

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

March Actual	
April Actual	-
May Actual	-
June Actual	-
Sub-total	<u>-</u>
4 month actual average (rounded)	<u>-</u>

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

Estimated Total Asset %	0.10%
Estimated Total for the State	\$ 20,000.00
Estimated Expense (rounded)	<u>\$ 20.00</u>

Avahealth, Inc.
Interest Earnings Projection
Projected for Discharge in July 2014

Interest accrued for July 2014

Beginning cash balance at 7/1/2014	\$ 627,702.69
Ending cash balance at 7/31/2014	619,992.77
Average cash balance for July	623,847.73
Assumed SPIA interest rate (Annualized)	1.00%
Subtotal (Annualized)	6,238.48
Accrual for July (Rounded)	<u><u>\$ 500.00</u></u>

Avahealth, Inc.
Receiver Windup Expenses
Projected for Discharge in July 2014

Windup Expenses (Projected)

Records storage, records destruction, bank fees	\$ 4,500.00
Tax return for 2014	
Total	<u>4,500.00</u>

Avahealth, Inc.
Statement of Contributed Equity - Estimated Balances
Projected for Discharge in July 2014

I. Contributed Equity Balance as of 6/30/2014	\$ 11,076.34
July Accrual (Estimate from Schedule B)	\$ 20.00
Total	<u>\$ 20.00</u>
Projected Contributed Equity Balance as of 7/31/2014	<u><u>\$ 11,096.34</u></u>