NINETEENTH JUDICIAL DISTRICT COURT

PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

NUMBER: 499-737 DIVISION: D

POSTED JUL 14 2005

J. ROBERT WOOLEY, AS
ACTING COMMISSIONER OF INSURANCE
FOR THE STATE OF LOUISIANA

VERSUS

AMCARE HEALTH PLANS OF LOUISIANA, INC.

STATE FILED

FILED: _____ _____
DEPUTY CLERK

**RESTATED MOTION AND INCORPORATED MEMORANDUM REQUESTING APPROVAL OF SETTLEMENT OF CLAIMS INVOLVING PRICEWATERHOUSECOOPERS**

NOW INTO COURT through undersigned counsel comes J. Robert Wooley, Commissioner of Insurance for the State of Louisiana in his capacity as Liquidator of AmCare Health Plans of Louisiana, Inc. In Liquidation ("AmCare-LA") through Marlon V. Harrison, Receiver for AmCare Health Plans of Louisiana, Inc. in Liquidation (the "Receiver") who respectfully represents that:

1.

A Motion and Incorporated Memorandum Requesting Approval of Settlement of Claims Involving PricewaterhouseCoopers ("PWC") was filed in this matter on or about June 20, 2005 and an order was entered in this matter on or about June 20, 2005 granting that motion.

2.

On or about June 27, 2005, PWC filed a motion for new trial as to the order entered by the Court on June 20, 2005, which motion was granted on July 8, 2005

3.

AmCare Health Plans of Louisiana, Inc. In Liquidation ("AmCare-LA") desires and is entitled to file this motion to add additional language inadvertently omitted and/or to remove language inadvertently included from its original filing for approval of settlement of the claims against PWC.

4.

As before, Am Care Health Plans of Louisiana, Inc. was a health maintenance organization that was placed by order of this honorable Court in rehabilitation on October 27, 2002 and in liquidation on November 12, 2002, and the Receiver was appointed by the Court pursuant to those orders.

REC'D C.P.

REC'D C.P. JUL 19 2005

JUL 14 2005

5.

The order of liquidation for AmCare Health Plans of Louisiana, Inc. entered by this Court on November 12, 2002 authorized the Receiver, inter alia, to commence whatever legal actions were necessary, and to collect all sums and debts that were economically feasible to collect, to accomplish the liquidation of AmCare Health Plans of Louisiana, Inc.

6.

In furtherance of the order of liquidation in September, 2003, the Receiver filed an action against PricewaterhouseCoopers ("PWC") in this Court, case number 512,366, and filed an action with the Accounting Review Panel, Review Panel # RP030014. Case number 512,366 was later consolidated with case number 499,737 and amended and restated as to the claims asserted.

7.

AmCare Health Plans of Texas, Inc. In Receivership ("Amcare-TX"), and AmCare Management, Inc. In Receivership ("AmCare-Mgt"), both of which are in receivership and under the supervision of the courts of the State of Texas, and AmCare Health Plans of Oklahoma, Inc. In Receivership ("AmCare-OK"), which is in receivership and under the supervision of the courts of the State of Oklahoma, (all collectively referred to as the "AmCare entities"), intervened in case number 499,737 to join AmCare-LA in asserting claims against PWC and related PWC entities.

8.

PWC was the accounting firm for AmCare-LA and the AmCare entities, and was instrumental in the preparation of financial statements, annual audits, tax returns and other accounting activities for AmCare-LA and the AmCare entities from 1999 until 2002.

9.

In connection with the proposed settlement of the claims asserted on behalf of AmCare-LA and the AmCare entities against PWC, PWC has denied the allegations made in the pending actions but is willing to enter into a settlement agreement to avoid the time and expense of protracted litigation involving complex business and accounting transactions.

10.

In connection with the proposed settlement, PWC and its related entities have agreed to pay AmCare-LA and the AmCare entities, collectively, the full and true sum of Three Million Five Hundred Thousand ($3,500,000.00) Dollars, a portion of which is to be paid to AmCare-LA in accordance with the terms of the Receiver's Agreement previously approved by this Court. A copy

of the proposed settlement agreement is attached hereto and marked as **Exhibit A**.

11.

The Receiver believes that the proposed settlement is in the best interest of the AmCare-LA estate, will efficiently marshal the property and assets of the AmCare-LA estate, and will further the goals identified in the order of liquidation entered by this Court in this matter.

12.

A hearing on PWC's Motion to Enforce the Settlement was held by this Court on June 2, 2005.

13.

The Receiver submits to the Court that the terms of the Settlement Agreement constitute a fair and reasonable settlement of the claims asserted by the AmCare Entities, that the funds received pursuant to the Settlement Agreement will be used by AmCare-LA in accordance with procedures utilized in this proceeding, as well as for attorneys fees and costs and related expenses arising out of the pending lawsuit filed against PWC, that the settlement is intended to resolve all claims against PWC, and that the settlement terms, under all applicable circumstances, are in the best interests of the creditors and other persons affected by the settlement and the liquidation of AmCare-LA through these proceedings.

14.

Pursuant to the terms of the Settlement Agreement, the Receiver desires and is entitled to an order of this Court finding that the settlement is fair and equitable to all interested parties and claimants (including all creditors of AmCare-LA); that the Receiver has specific authority to release all claims pursuant to the terms of the Settlement Agreement and to dismiss the claims asserted against PWC in the pending lawsuit with prejudice; that the Receiver has specific authority to execute the Settlement Agreement; and that all creditors, claimants, and interested persons of AmCare-LA are and will be bound by the Settlement Agreement; and declaring that the claims of AmCare-LA creditors against PWC, except direct claims, if any, which the Receiver is unable by assignment or operation of law to assert, shall be deemed released as a result of this Court's finding of the fairness of the proposed settlement and approval of the proposed settlement

15.

The Receiver further requests notice of this motion and order and the Court's ruling be given by posting a copy of this motion and order and the Court's ruling on the Louisiana Department of

Insurance website at www.ldi.la.gov ; Office Directory; Receivership; Domestic Receivers in receivership-Open; AmCare Health Plans of Louisiana; Receivership Pleadings and that such be deemed sufficient notice to all interested persons or entities.

16.

The Receiver requests that the judgment rendered as to the proposed settlement be certified as a final judgment for purposes of appeal by this Court for the reasons that the judgment as prayed for will dismiss all claims of AmCare-LA against PWC with prejudice and there is no just reason for delay since PWC will no longer be a party to the recovery actions in accordance with Louisiana Code of Civil Procedure article 1915.

WHEREFORE, Marlon V. Harrison, Receiver for AmCare Health Plans of Louisiana, Inc. in Liquidation, prays that this motion be deemed good and sufficient and that this honorable Court approve the proposed settlement with PWC and authorize the Receiver to enter into the proposed agreement with PWC and the AmCare entities, as reflected in **Exhibit A**, and to sign such documents, to take such actions as may be required to accomplish same, and to implement same, in the sole discretion of the Receiver; that the Court make a finding that (1) the settlement is fair and equitable to all interested parties and claimants (including all creditors of AmCare-LA); (2) that the Receiver has specific authority to release all claims pursuant to the terms of the Settlement Agreement and to dismiss the claims asserted against PWC in the pending lawsuit with prejudice; (3) that the Receiver has specific authority to execute the Settlement Agreement; and (4) that all creditors, claimants, and interested persons of AmCare-LA are and will be bound by the Settlement Agreement, (5) and declaring that the claims of AmCare-LA creditors against PWC, except direct claims, if any, which the Receiver is unable by assignment or operation of law to assert, shall be deemed released as a result of this Court's finding of the fairness of the proposed settlement and approval of the proposed settlement; that notice of this motion and order and the Court's ruling be given by posting a copy of this motion and order and the Court's ruling on the Louisiana Department of Insurance website at www.ldi.la.gov ; Office Directory; Receivership; Domestic Receivers in receivership-Open; AmCare Health Plans of Louisiana; Receivership Pleadings and that such be deemed sufficient notice to all interested persons or entities, and the judgment rendered as to the proposed settlement be certified as a final judgment for purposes of appeal by this Court for the reasons that the judgment as prayed for will dismiss all claims of AmCare-LA against PWC with

prejudice and there is no just reason for delay since PWC will no longer be a party to the recovery actions in accordance with Louisiana Code of Civil Procedure article 1915, and for all other appropriate relief.

RESPECTFULLY SUBMITTED,

BY ATTORNEYS FOR
J. Robert Wooley
Commissioner of Insurance
for the State of Louisiana
in his capacity as Liquidator of
AmCare Health Plans of Louisiana, Inc.

Buser & Associates, APLC

BY: _____

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CERTIFIED TRUE COPY
000220
DEPUTY CLERK OF COURT

19TH JUDICIAL DISTRICT
EAST BATON ROUGE PARISH, LA.
FILED
2005 JUL 14 PM 12:31
BY B
DEPUTY CLERK & RECORDER FOR
DOUG WELBORN
CLERK OF COURT E.B.R. PARISH

NINETEENTH JUDICIAL DISTRICT COURT
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

NUMBER: 499-737 DIVISION: D

J. ROBERT WOOLEY, AS
ACTING COMMISSIONER OF INSURANCE
FOR THE STATE OF LOUISIANA
VERSUS
AMCARE HEALTH PLANS OF LOUISIANA, INC.

FILED: _____

_____
DEPUTY CLERK

**ORDER**

Considering the foregoing Motion and Incorporated Memorandum Requesting Approval of Settlement of the Claims of PricewaterhouseCoopers filed on behalf of AmCare Health Plans of Louisiana, Inc. In Liquidation, and the Court finding that the parties are entitled to the relief granted:

**IT IS ORDERED, ADJUDGED AND DECREED** that the Restated Motion Requesting Approval of Settlement of the Claims of PricewaterhouseCoopers be and hereby is GRANTED.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the proposed settlement with PricewaterhouseCoopers be and hereby is APPROVED.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the Receiver for AmCare Health Plans of Louisiana, Inc. In Liquidation be and hereby is authorized to enter into the proposed settlement agreement with PricewaterhouseCoopers, and AmCare Health Plans of Texas, Inc. In Receivership, AmCare Management, Inc. In Receivership, and AmCare Health Plans of Oklahoma, Inc. In Receivership, as reflected in the proposed agreement attached as **Exhibit A**, and to sign such documents, to take such actions as may be required to accomplish same, and to implement same, in the sole discretion of the Receiver.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the settlement is fair and equitable to all interested parties and claimants (including all creditors of AmCare-LA); that the Receiver has specific authority to release all claims pursuant to the terms of the Settlement Agreement and to dismiss the claims asserted against PricewaterhouseCoopers in the pending lawsuit with prejudice; that the Receiver has specific authority to execute the Settlement Agreement; and that all creditors, claimants, and interested persons of AmCare LA are and will be bound by the Settlement Agreement, and that the claims of AmCare-LA creditors against PWC, except direct claims, if any, which the Receiver is unable by assignment or operation of law to assert, be and

hereby are deemed released as a result of this Court's finding of the fairness of the settlement and this Court's approval of the settlement.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that notice of this motion and order and the Court's ruling be given by posting a copy of this motion and order and the Court's ruling on the Louisiana Department of Insurance website at www.ldi.la.gov ; Office Directory; Receivership; Domestic Receivers in receivership-Open; AmCare Health Plans of Louisiana; Receivership Pleadings and that such notice shall be deemed sufficient notice to all interested persons or entities.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the motion of the Receiver to certify this judgment as a final judgment pursuant to Louisiana Code of Civil Procedure article 1915 be and hereby is granted and this judgment is certified as a final judgment for purposes of appeal.

The Court, in accordance with Louisiana Civil Code Article 1915, designates this as a final judgment by the Court after an express determination that there is no just reason for delay since the judgment rendered by the Court herein dismisses all claims in the recovery actions as to Pricewaterhousecoopers with prejudice.

**THUS DONE AND SIGNED** this 15 day of July, 2005 at Baton Rouge, Louisiana.

CERTIFIED TRUE COPY
00022
DEPUTY CLERK OF COURT

Janice Clark

JUDGE, NINETEENTH JUDICIAL DISTRICT COURT

19TH JUDICIAL DISTRICT
EAST BATON ROUGE PARISH, LA.
FILED
2005 JUL 14 PM 12:31
BY B — —
DEPUTY CLERK & RECORDER FOR
DOUG WELBORN
CLERK OF COURT E.B.R. PARISH

I hereby certify that on this day a notice of the above judgement was mailed by me, with sufficent postage affixed, to: All Parties

Done and signed on 7-18-05

Shirley Richmond
Deputy Clerk of Court

## CERTIFICATE OF SERVICE

**I HEREBY CERTIFY** that a copy of the above and foregoing document has been forwarded via First Class Mail, postage prepaid and properly addressed, to the following:

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on this 14th day of July, 2005.

19TH JUDICIAL DISTRICT
EAST BATON ROUGE PARISH, LA.
FILED
2005 JUL 14 PM 12:31
BY: B
DEPUTY CLERK & RECORDER FOR
DOUG WELBORN
CLERK OF COURT E.B.R. PARISH

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DEPUTY CLERK OF COURT