

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

KENNETH M. ROSS, COMMISSIONER,
MICHIGAN DEPARTMENT OF LABOR AND
ECONOMIC GROWTH, OFFICE OF FINANCIAL
AND INSURANCE REGULATION,

Petitioner / Liquidator,

Case No. 05-1472-CR

Hon. William E. Collette

v.

ULTIMED HMO OF MICHIGAN, INC.,
a Michigan health maintenance organization,

IN LIQUIDATION

Respondent.

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Christopher L. Kerr (P57131)
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Michigan Department of Attorney General
Insurance & Banking Division
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**ORDER RATIFYING ACTIONS OF THE LIQUIDATOR TAKEN TO DATE AND
APPROVING RECOMMENDATIONS MADE IN
DEPUTY LIQUIDATOR JAMES GERBER'S REPORT AND RECOMMENDATION
REGARDING STATUS OF LIQUIDATION, OUTSTANDING ASSETS AND
POTENTIAL CLAIMS, AND DISTRIBUTION OF ESTATE ASSETS**

At a session of said Court
held in the Circuit Courtrooms
for the County of Ingham,
State of Michigan, on the

28th day of MAY, 2008.

PRESENT: HONORABLE _____

Circuit Court Judge

This matter having come before the Court pursuant to the Petition filed by the Liquidator seeking ratification of the actions taken by the Liquidator to date and approval of the recommendations contained in Deputy Liquidator James Gerber's Report and Recommendation Regarding Status of Liquidation, Outstanding Assets and Potential Claims, and Distribution of Estate Assets (the "Petition"); the Court having reviewed the Petition and any objections or responses filed thereto; having heard oral arguments on May 28, 2008; and being otherwise fully advised,

NOW, THEREFORE, upon due consideration thereof, and for the reasons stated on the record,

IT IS HEREBY ORDERED that the actions of the Liquidator taken in this Liquidation proceeding to date, as disclosed in Deputy Liquidator James Gerber's Report and Recommendation Regarding Status of Liquidation, Outstanding Assets and Potential Claims, and Distribution of Estate Assets (the "Report"), are ratified by the Court.

IT IS FURTHER ORDERED that the Court approves the recommendations made in the Report. Specifically, the Liquidator has recommended, and the Court hereby approves, that the Liquidator, his staff, and legal counsel will only pursue the following outstanding assets and potential claims of the Ultimed Liquidation Estate:

- (a) Claims against former Ultimed affiliate Community Health Care Providers, Inc. d/b/a United Community Hospital;
- (b) A potential settlement of claims against former Ultimed affiliate Community Care Partners, Inc. If a settlement cannot be reached, the Liquidator will reassess whether further pursuit of these claims is warranted; and
- (c) Funds remaining in the ABW Program Trust Account and execution of an appropriate, mutual release in exchange for such funds.

The Court additionally approves the other recommendations contained in the Report, including but not limited to: (a) accepting and including any approved ABW and PlusCare Program claims

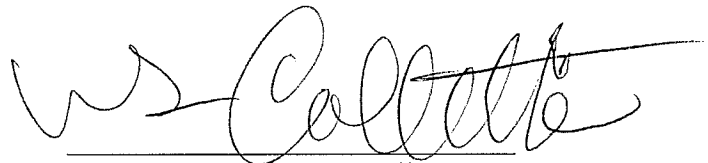
as liabilities of the Ultimed Liquidation Estate; (b) dismissing the PlusCare appeal; and (c) initiating proceedings to distribute the remaining assets of the Ultimed Liquidation Estate.

IT IS FURTHER ORDERED that due to the limited assets remaining in Ultimed's Liquidation Estate and the prohibitive cost associated with providing personalized notice to the over 2,400 creditors that have filed Proofs of Claim against the estate, the Court authorizes, approves, and/or ratifies the Liquidator's service of the Petition and this Order by:

- (d) Posting copies on the OFIR website, www.michigan.gov/ofir, under the section "Who We Regulate" and the subsection "Ultimed"; and
- (e) Serving copies on Ultimed's five largest creditors (by approved claim amount), which are: (a) The Henry Ford Medical Group; (b) CVS Pharmacy; (c) The City of Detroit Fire Department; (d) Rite Aid Corporation; and (e) The Regents of the University of Michigan.

The Court finds that providing notice in this manner is reasonably calculated to give interested parties (namely, Ultimed's creditors) actual notice of these proceedings, an opportunity to be heard, and is otherwise reasonable under the circumstances.

IT IS SO ORDERED.



Honorable William E. Collette
Circuit Court Judge