

**SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION**

DISTRICT OF COLUMBIA,
Department of Insurance, Securities and
Banking,

Petitioner,

v.

DC CHARTERED HEALTH PLAN, INC.,

Respondent.

Civil Action No.: 2012-8227

Judge : Wright

Calendar No. : 15

Next Event: Status – 6/20/13 at 9:30

Opposition to Motion for Expedited
Determination

**DCHSI'S MOTION IN OPPOSITION TO SPECIAL DEPUTY TO THE REHABILITATOR'S
REQUEST FOR EXPEDITED STATUS CONFERENCE AND PETITION FOR ORDER
APPROVING THE ASSET PURCHASE AGREEMENT, PLAN OF REORGANIZATION
AND RELATED MATTERS ON OR BEFORE MARCH 5, 2013**

D.C. Healthcare Systems, Inc. (“DCHSI”), the sole shareholder of D.C. Chartered Health Plan, Inc. (“Chartered”) and a party in interest in this proceeding, hereby opposes the request for expedited determination in connection with the Special Deputy to the Rehabilitator’s Request for Expedited Status Conference and Petition for Order Approving the Asset Purchase Agreement, Plan of Reorganization and Related Matters on or before March 5, 2013 (the “Petition”).

DCHSI intends to oppose the Petition on the merits. From a preliminary review of the Petition, it is apparent that, if granted, DCHSI would suffer irreparable harm because the proposed transaction effectively liquidates Chartered, which is DCHSI’s sole source of revenue, and thus would threaten the very existence of DCHSI. In addition, the proposed transaction would impose liabilities on Chartered, and potentially DCHSI, including for the period of time when the Rehabilitator has been responsible for Chartered.

The proposed transaction has been under negotiation for at least three months. DCHSI has been demanding information about the contemplated transaction since it learned of it from

the Rehabilitator's public statements in early December. The government and the Deputy Rehabilitator, however, refused DCHSI's repeated requests until today, when simultaneous with the filing of the Petition, the government and Chartered executed a confidentiality agreement to provide limited information to DCHSI, much of which now has been filed with this Court in any event.

There is no true exigency, and the timing is entirely of the government's making. The government has it within its power to extend all relevant contracting deadlines, including extending the current Medicaid contract that Chartered is continuing to perform fully. Chartered's regulators have acknowledged that there is no issue with the care being provided to enrollees. There is no good cause that these important issues should be decided on a basis so expedited that DCHSI is prejudiced in its ability to respond on the merits and protect its very existence. In addition, as soon as he received the Petition, the undersigned counsel contacted the government's counsel to explain that he will be out of the country the week of March 4, 2013, and asking that the government agree to accommodate. The government has not responded.

DCHSI therefore respectfully requests that the Court enter a reasonable briefing schedule concerning the Petition, with DCHSI's response to be due March 12, 2013, and a hearing to be scheduled the week of March 19, 2013. DCHSI is available for a conference, in person or by telephone, to discuss scheduling this afternoon or the week of February 25, 2013.

CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of February, 2013, a copy of the foregoing was filed

and served by email upon:

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_____/s/_____
Jennifer A. Sincavage

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DC CHARTERED HEALTH PLAN, INC.,

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**ORDER GRANTING PARTY-IN-INTEREST D.C. HEALTHCARE SYSTEMS, INC.'S
MOTION IN OPPOSITION TO SPECIAL DEPUTY TO THE REHABILITATOR'S
REQUEST FOR EXPEDITED STATUS CONFERENCE AND PETITION FOR
ORDER APPROVING THE ASSET PURCHASE AGREEMENT, PLAN OF
REORGANIZATION AND RELATED MATTERS ON OR BEFORE MARCH 5, 2013**

Before this Court is party in interest D.C. Healthcare Systems, Inc.'s ("DCHSI") Motion in Opposition to Special Deputy to the Rehabilitator's Request for Expedited Status Conference and Petition for Order Approving the Asset Purchase Agreement, Plan of Reorganization and Related Matters on or before March 5, 2013 ("Motion"). Upon consideration of the Motion, and the entire record, it hereby is:

1. ORDERED, that DCHSI's response to the Special Deputy to the Rehabilitator's Request for Expedited Status Conference and Petition for Order Approving the Asset Purchase Agreement, Plan of Reorganization and Related Matters on or before March 5, 2013 ("Petition") is due March 12, 2013.
2. The next hearing will be scheduled no earlier than the week of March 19, 2013.

SO ORDERED.

Judge Melvin R. Wright

Entered on: _____