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 10 *Insurance, as the Permanent Receiver for Nevada Health CO-OP*

11 **IN THE EIGHTH JUDICIAL DISTRICT COURT**
 12 **CLARK COUNTY, NEVADA**

13 STATE OF NEVADA, EX REL.)	CASE NO. A-15-725244-C
14 COMMISSIONER OF INSURANCE, IN HIS)	DEPARTMENT 21
15 OFFICIAL CAPACITY AS STATUTORY)	
16 RECEIVER FOR DELINQUENT DOMESTIC)	
INSURER,)	
)	
)	
)	
Plaintiff,)	
)	
vs.)	
)	
NEVADA HEALTH CO-OP,)	
)	
Defendant.)	

21 **THIRTY-SEVENTH STATUS REPORT**

22 COME NOW, Commissioner of Insurance Scott Kipper in his capacity as Receiver of Nevada
 23 Health CO-OP (“NHC,” or the “CO-OP”), and CANTILO & BENNETT, L.L.P., Special Deputy Receiver
 24 (“SDR” - SDR and the Commissioner as Receiver are referred to collectively herein as “Receiver”) and
 25 file this Thirty-Seventh Status Report in the above-captioned receivership.

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1 **I. INTRODUCTION AND HISTORICAL BACKGROUND**

2 The CO-OP was a state-licensed health insurer, formed in 2012 as a Health Maintenance
3 Organization, with a Certificate of Authority granted by the State of Nevada Division of Insurance
4 effective January 2, 2013. NHC was an Internal Revenue Code 501(c)(29) Qualified Non-Profit Health
5 Insurance Issuer, entitled to tax exemption by the Internal Revenue Service. NHC was formed under a
6 provision of the Patient Protection and Affordable Care Act (“ACA”) providing for the formation of
7 Consumer Operated and Oriented Plans. Having received from the Centers for Medicare and Medicaid
8 Services (“CMS”) of the United States Department of Health and Human Services (“HHS”) a start-up
9 loan of \$17,080,047, and a “solvency” loan of \$48,820,349, NHC was required to operate as a non-
10 profit, consumer-driven health insurance issuer for the benefit of the public. The CO-OP’s primary
11 business was to provide ACA-compliant health coverage to residents of Nevada, and it operated its
12 business for the benefit of Nevadans within the state, save for certain arrangements to provide nationwide
13 health coverage to Nevadans traveling outside the state in certain circumstances. NHC began selling
14 products on and off the Silver State Health Insurance Exchange (the “Exchange”) on January 1, 2014.
15 Its products included individual, small group, and large group health care coverages.

16 On October 1, 2015, this Court issued its Order Appointing the Acting Insurance Commissioner,
17 Amy L. Parks as Temporary Receiver of NHC Pending Further Orders of the Court and Granting
18 Temporary Injunctive Relief Pursuant to NRS 696B.270. Further, on October 14, 2015, the Receivership
19 Court entered its Permanent Injunction and Order Appointing Commissioner as Permanent Receiver of
20 Nevada Health CO-OP, appointing the law firm of CANTILO & BENNETT, L.L.P. as SDR of NHC, in
21 accordance with Chapter 696B of the Nevada Revised Statutes.

22 This Court, through its Final Order Finding and Declaring Nevada Health CO-OP to be Insolvent
23 and Placing Nevada Health CO-OP into Liquidation (the “Final Order”) dated September 20, 2016,
24 adjudged NHC to be insolvent on grounds that it was unable to meet obligations as they mature. The
25 Final Order also authorized the Receiver to liquidate the business of NHC and wind up its ceased
26 operations pursuant to applicable Nevada law. The Receiver has since transitioned the receivership
27 estate from rehabilitation to liquidation.

28 The Receiver continues to file quarterly status reports as ordered by this Court.

1 **II. RECEIVERSHIP ADMINISTRATION**

2 **Receivership Administrative Services and Oversight**

3 CANTILO & BENNETT, L.L.P., as SDR of NHC, manages the receivership estate and conducts its
4 affairs. PALOMAR FINANCIAL, LC (“Palomar”), an affiliate of the SDR, performs administration,
5 information technology, and other related services for the Receiver under the supervision of the SDR.
6 The Receiver has included an informational copy, as **Exhibit 1** to this Status Report of the invoices
7 approved or paid to the SDR and other receivership consultants since the last status report to this Court.¹

8 **Resolution of Outstanding Receivership Matters**

9 *Tax Matters*

10 The Receiver has filed federal tax returns for NHC for the tax years 2015-2023. The Receiver
11 also filed prompt tax assessment requests with the Internal Revenue Service for NHC’s tax obligations

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16 ¹ The *in camera* materials are being submitted in a separate envelope that reflect approved or paid
17 invoices.

18 Certain billings submitted to the Court are appropriate for *in camera* review (as opposed to being made
19 part of a public filing). More particularly, and as discussed in further detail below, certain consultants in this
20 matter are providing expert witness related services. As such, the billing entries relating thereto should be
21 considered confidential and/or otherwise not subject to discovery.

22 In this regard, courts have held that the bills of legal counsel and experts may be withheld from legal
23 discovery and are not subject to legal disclosure, as this information may provide indications or context concerning
24 potential litigation strategy and the nature of the expert services being provided. *See, e.g., Avnet, Inc. v. Avana
Technologies Inc.*, No. 2:13-cv-00929- GMN-PAL, 2014 WL 6882345, at *1 (D. Nev. Dec. 4, 2014) (finding
that billing entries were privileged because they reveal a party’s strategy and the nature of services provided);
Fed. Sav. & Loan Ins. Corp. v. Ferm, 909 F.2d 372, 374-75 (9th Cir. 1990) (considering whether or not fee
information revealed counsel’s mental impressions concerning litigation strategy). Other courts that have
addressed this issue have recognized that the “attorney-client privilege embraces attorney time, records and
statements to the extent that they reveal litigation strategy and the nature of the services provided.” *Real v. Cont’l
Grp., Inc.*, 116 F.R.D. 211, 213 (N.D. Cal. 1986).

25 The *in-camera* review should apply not only to documentation concerning attorneys’ fees, but it also
26 extends to “details of work revealed in [an] expert’s work description [which] would relate to tasks for which she
[or he] was compensated[,]” a situation which is “analogous to protecting attorney-client privileged information
27 contained in counsel’s bills describing work performed.” *See DaVita Healthcare Partners, Inc. v. United States*,
128 Fed. Cl. 584, 592-93 (2016); *see also Chaudhry v. Gallerizzo*, 174 F.3d 394, 402 (4th Cir. 1999) (recognizing
28 that “correspondence, bills, ledgers, statements, and time records which also reveal the motive of the client in
seeking representation, litigation strategy, or the specific nature of the services provided, such as researching
particular areas of law,” are protected from disclosure) (quoting *Clarke v. Am. Commerce Nat’l Bank*, 974 F.2d
127, 129 (9th Cir. 1992)).

1 for the tax years 2015-2021. On October 4, 2024, the IRS approved the Receiver’s requests and provided
2 a closing date of February 19, 2026, for the 2015-2021² tax returns.

3 ***Claims Adjudications & Distributions***

4 Notices of Claim Determination (“NCDs”) were mailed for healthcare claims previously
5 submitted by providers to NHC’s Javelina Claims Processing Database (the “Provider Claims”). The
6 total allowed amount of these approved Provider Claims is approximately \$33.7 million. The NHC
7 members also received NCDs that showed them the amount that the SDR approved to be paid to their
8 providers, and the amount of member responsibility (*i.e.*, the co-pays, deductibles, and coinsurance), if
9 any, that they may owe on their providers’ outstanding claims. On October 16, 2019, the SDR received
10 approval from the Court to make a distribution of certain estate assets for the partial payment (*i.e.*,
11 approximately 14.6% pro rata) of these Provider Claims, which have been classified by the SDR as
12 claims made under NHC policies pursuant to NRS 696B.420(1)(b). After the recent recovery of CMS
13 Receivables (further described herein), the Receiver has now filed a Motion requesting approval to
14 distribute additional estate assets for the payment of the Provider Claims. If this Motion is approved,
15 the additional distribution of approximately \$5.1M would bring the total pro rata distribution for the
16 Provider Claims to thirty percent (30%). To the extent that funds are not used for these Provider Claims,
17 they retain their classification as general assets of the Receivership available to pay other expenses.

18 As previously reported, the SDR must collect certain necessary documentation from the
19 providers in advance of making any claim payments. Five hundred and twenty-two (522) providers have
20 submitted the necessary documentation and have received a distribution payment. However, the
21 remaining one thousand two-hundred sixty one (1,261) providers either did not respond or sent back
22 defective paperwork. The Receiver in his discretion has not paid these claims for lack of the proper
23 documentation. If the above-referenced Motion to approve a second distribution is granted, such
24 claimants will have another opportunity to submit the needed paperwork to obtain both their initial
25 unpaid distribution amount, along with this second distribution payment.

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28 ² Due to an apparent typo in the IRS closing date notice, the tax year 2017 was excluded (“2018” was
referenced twice, and it appears one of these references should have instead read “2017”). The Receiver will
clarify and confirm with the IRS that the closing date provided also applies to the 2017 tax year.

1 The Receiver is seeking further litigation recoveries to enable additional provider claim
2 distributions and anticipates further payment for these provider claims next year, subject to receiving
3 proper documentation.

4 The SDR also mailed NCDs for those Proofs of Claim submitted to the SDR relating to Policy
5 Claims (*i.e.*, Class B claims pursuant to NRS 696B.420(1)(b)). The total allowed amount for the
6 members' claims, \$5,102.64, is subject to a potential small increase as two NCD objections have been
7 filed and remain pending.

8 Including the two member objections described above, there are twenty-eight (28) unresolved
9 and outstanding objections sent by NHC members of the NCDs that were mailed pertaining to
10 outstanding healthcare claims submitted by providers to NHC's Javelina Claims Processing Database.³
11 The Receiver will request by separate motion that the Court set a hearing for the remaining appeals,
12 pursuant to NRS 696B.330.

13 There are fifty-one proofs of claim ("POC") assigned to a priority Class "C" (*i.e.*,
14 NRS 696B.420(1)(c)) or lower.⁴ The SDR has now issued NCDs to nearly all of these claimants. It
15 appears unlikely at this time that the estate will have sufficient assets to make distributions to claims
16 assigned priority below Class B.

17 ***CMS Receivables***

18 As explained in prior status reports, and throughout the pendency of the receivership, the
19 Receiver has worked to resolve certain outstanding matters relating to the collection of amounts due
20 under the various federal receivables programs, of which the CO-OP was a participant, and which are
21 administered primarily by CMS. The recovery of these assets will allow the SDR to make further claim
22 payments to estate creditors—to include the payment of additional provider claim distributions. The
23 Receiver also disputed the government's asserted right to be paid ahead of all other creditors in the estate
24 (including providers and members). CMS maintained the position that any monies deemed owed to

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26 ³ Members received a copy of the claim determinations that were sent to their providers, so that the
27 members could see any denied claims, and the deductible, co-pay, and coinsurance that was applied to each of the
28 allowed provider claims (*i.e.*, the amount of the member's responsibility on each claim) and have an opportunity
to appeal.

⁴ This does not include a claim by the U.S. Department of Health and Human Services, which the SDR
has previously reported to this Court. The government did not file an appeal of the SDR's determination of its
claim.

1 NHC (and thus the receivership estate) are to be offset against the amounts CMS asserts it is owed under
2 the start-up loan awarded to NHC. CMS offset approximately \$12.9 million against the start-up loan
3 that should have instead been paid to NHC.

4 NHC was owed over \$55 million for CMS Receivables.⁵ As described further below, the
5 Receiver initiated asset recovery litigation against the United States for the recovery of these receivables.
6 As of this report, the matter has concluded with the payment of over \$55 million by the United States
7 through the Judgment Fund.

8 The Court’s opinion and additional developments in this matter are detailed further below.

9 **Engagement of Additional Legal Counsel**

10 The Receiver has engaged the law firm of Greenberg Traurig LLP (“Greenberg Traurig”), as
11 outside counsel in various litigation matters. As reported in the prior status report, the Receiver has
12 retained the Lewis Roca firm as conflicts counsel and to address other matters that may arise in which
13 Greenberg Traurig is not representing the receivership estate.

14 **Asset Recovery Action Against Various Professionals and Other Firms Who Performed Services
15 for and on Behalf of NHC**

16 As previously reported by the Receiver, the Asset Recovery Action has now been fully settled
17 among all parties, and the action by the Receiver is now closed. Those interested should refer to
18 previously filed status reports (available at www.nevadahealthcoop.org) for historical information about
19 the Asset Recovery Action.

20 **Opinion and Order in the Action Against the United States in the Court of Federal Claims**

21 On November 8, 2018, the Receiver filed a Complaint in the United States Court of Federal
22 Claims (“CFC Complaint”) against the United States for monetary amounts owed to NHC under the
23 Consumer Operated and Oriented Plan program organized pursuant to the ACA. The Receiver
24 determined that such litigation was necessary in order to advance the interests of the receivership estate’s
25 creditors and to protect and conserve assets that rightfully belong to the estate (*i.e.*, over \$55M, as
26 mentioned in the “CMS Receivables” section, *supra*).

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28 ⁵ NHC sold a portion, but not all, of its interest in the Risk Corridors receivables, as detailed in the
Receiver’s Seventeenth Status Report to this Court. After the sale, a portion of the total Risk Corridors receivables
remained due NHC, as well as the full portion of non-Risk Corridors receivables owed by CMS.

1 In Counts I through IV, the CFC Complaint prays for relief in the form of an award of damages
2 and monetary relief equal to the difference between the amount NHC actually received in payments
3 under Sections 1342, 1341, 1343, and 1401 of the ACA – the statutes which describe and enact the Risk
4 Corridors, transitional reinsurance, risk adjustment, and cost sharing reduction programs respectively –
5 and the amount NHC should have received under those laws. Count V (breach of contract by offset) and
6 Count VI (illegal exaction) plead alternate theories for recovery of money damages resulting from the
7 United States, through its agents at HHS and CMS, offsetting payments that CMS owed to NHC against
8 funds NHC allegedly owed to the government under the CO-OP start-up loan (the “Loan Agreement”).

9 The United States filed a motion to dismiss, and the Receiver filed a cross-motion for partial
10 summary judgment in the U.S. Court of Federal Claims.⁶ Oral argument on the motions was held on
11 May 24, 2021, and supplemental legal authority was noticed to the Court.⁷

12 On November 30, 2021, the U.S. Court of Federal Claims issued its Opinion and Order, denying
13 the government’s motion to dismiss and concluding *inter alia* that the Government’s offsets were
14 improper, and that the Receiver was entitled to summary judgment on Counts I through V⁸ of his CFC
15 Complaint. *Richardson v. United States*, 157 Fed. Cl. 342, 376 (2021), *aff’d in part, vacated in part*, No.
16 2022-1520, 2024 WL 3731864 (Fed. Cir. Aug. 9, 2024) The U.S. Court of Federal Claims ordered that
17 the Receiver is entitled to judgment as a matter of law on his claims and that on or before December 30,
18 2021, the parties should file a joint stipulation or joint status report, indicating an agreed-upon sum for
19 the purpose of entry of final judgment. The Receiver worked with counsel for the Government to prepare
20 a Joint Status Report, filed on December 30, 2021, wherein the parties agreed that the amount of the
21 judgment should be \$55,504,468.39 and that there were no remaining unresolved issues that would

22 ⁶ A detailed procedural summary of the various motions filed in this matter, and the United States
23 Supreme Court’s rulings in related cases, can be found in the previous 24th Status Report to this Court.

24 ⁷ On May 17, 2021, the Federal Circuit upheld on appeal the Court of Federal Claims decision in favor
25 of the Liquidator of Colorado Health (a CO-OP program insurer), and held that (1) the Colorado set off statute
26 did not afford a right to the United States to offset the risk adjustment debt of the insolvent Colorado insurer
27 against HHS reinsurance debt, (2) the United States did not have an equitable right to offset risk adjustment debt,
28 (3) the ACA and HHS regulations implementing the ACA did not preempt Colorado law fixing creditors’ rights
during insolvency, (4) a significant conflict did not exist between an identifiable federal policy or interest and the
operation of state law, (5) the Court of Federal Claims fulfilled its obligations under the Tucker Act; and (6) the
Court of Federal Claims could enter judgment against the United States. *Conway v. United States*, 997 F.3d 1198
(Fed. Cir. 2021).

⁸ As Counts V and VI presented alternate legal theories for the recovery of the same amounts sought in
Counts II–IV, it was not necessary for the U.S. Court of Federal Claims to address Count VI.

1 prevent entry of final judgment. Accordingly, on December 31, 2021, the U.S. Court of Federal Claims
2 directed judgment in favor of the Receiver in the amount of \$55,504,468.39. On January 4, 2022, U.S.
3 Court of Federal Claims entered judgment for the Receiver for \$55,504,468.39. The Government filed
4 a Notice of Appeal of this judgment on March 4, 2022.

5 On July 8, 2022, the United States filed its Opening Brief for the United States in the above-
6 described appeal, setting forth its legal arguments in support, *inter alia*, of maintaining an offset of
7 amounts owed under the Risk Corridors program against those amounts ostensibly owed to it under the
8 CO-OP loan program. A Corrected Opening Brief for the United States was filed as of July 22, 2022.
9 The Receiver filed a Response Brief on October 17, 2022. The Federal Circuit heard oral arguments in
10 this matter on January 11, 2024. On August 9, 2024, the Federal Circuit affirmed in part and vacated in
11 part the decision of the U.S. Court of Federal Claims.

12 The Federal Circuit affirmed the Court of Federal Claims in its holding that the government
13 improperly withheld statutory payments it owed to NHC, and held that “the government may not
14 withhold payments it owed to [NHC] to jump ahead of policyholders before these superior creditors are
15 satisfied.” However, the Federal Circuit vacated that part of the Federal Circuit’s decision that held, *sua*
16 *sponte*, that the government cannot—in the future—invoke 31 U.S.C. 3728 to withhold payments to
17 NHC.⁹ In this connection, the Federal Circuit held that the court had exceeded its limited jurisdiction
18 when deciding the 31 U.S.C. 3728 matter.¹⁰ The Court of Federal Claims had concluded that the
19 government would be barred by *res judicata* from bringing suit under the statute. The Federal Circuit
20 did not address the merits of the Court’s *res judicata* conclusion.

21 The government had forty-five (45) days (*i.e.*, from August 9, 2024) to file a petition for rehearing
22 or rehearing *en banc*. The Government did not seek to further appeal the Federal Circuit’s decision. On
23 November 6, 2024, NHC received payment of the total judgment in the amount of \$55,504,468.39 from
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25 ⁹ 31 U.S.C. 3728(a) states: “The Secretary of the Treasury shall withhold paying that part of a judgment
26 against the United States Government presented to the Secretary that is equal to a debt the plaintiff owes the
27 Government.” The Court of Federal Claims reached the issue, even though the parties had not addressed the
statute in the case, “in the interest of avoiding future—and in the Court[of Federal Claim]’s view, unnecessary—
proceedings.” Cite at 374.

28 ¹⁰ The Federal Circuit expressly stated that it was vacating that portion of the order “without addressing
the merits of this issue that was never raised by the parties below.” *Richardson v. United States*, No. 2022-
1520, 2024 WL 3731864, at *6 (Fed. Cir. Aug. 9, 2024).

1 the United States Department of Treasury (*i.e.*, the Judgment Fund). Pursuant to the purchase agreement
2 that was previously approved by this Court on October 16, 2019,¹¹ NHC distributed \$40,481,336.90 of
3 the judgment to the purchaser of the Risk Corridors receivable (*i.e.*, CM Squared RC IV, LLC) and NHC
4 retained \$15,023,131.99 of the total judgment proceeds.

5 **Civil Action Against WellHealth Medical Associates, Medsource, and Certain Persons**

6 On December 14, 2021, the Receiver filed a complaint in the Eighth Judicial District Court, Case
7 No. A-21-845440-B, against WellHealth Medical Associates, PLLC (“WellHealth”), Medsource
8 Management Group, LLC (“Medsource”), and certain individual persons or estates of persons formerly
9 or currently in positions of authority and responsibility within these organizations, for the recovery of
10 amounts which the NHC alleges is owed in connection with certain allegedly illegal transactions which
11 took place with NHC in health plan years 2014 and 2015, as well as certain related improper business
12 transactions which involved the transfer of CO-OP funds to persons, and through mechanisms, which
13 allegedly did not comply with the relevant laws and regulations. This case was initially filed in
14 Department 5, but has been reassigned to Department 31.

15 On August 8, 2022, the parties filed a Stipulation and Order allowing the Receiver to Amend the
16 Complaint, providing additional arguments and causes of action; alongside this, Plaintiff filed the First
17 Amended Complaint in this action. Following some motion practice between the parties as covered in
18 prior status reports, the case proceeded. Discovery was in progress and was set to be completed by July
19 12, 2024. The trial of this case was set on a five-week trial stack for October 7, 2024. Efforts in the fall
20 of 2023 to mediate failed and discovery in the case continued.

21 On November 16, 2023, the Court entered its *Findings of Fact, Conclusions of Law, and Order*
22 *Denying Defendant Nino Pedrini’s Motion to Dismiss Based on Contractual Limitations or, in the*
23 *Alternative, for Violation of the Statute of Limitations or, in Further Alternative, for Failure to State a*
24 *Claim* (“Motion to Dismiss”). That same day, the Court denied defendant Pedrini’s *Motion for*
25 *Reconsideration* of his Motion to Dismiss. On January 12, 2024, Defendant Pedrini filed his *Answer to*
26 *Plaintiff’s Complaint and Joinder in Counterclaim*.

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¹¹ This purchase agreement is further detailed in the Receiver’s Seventeenth Status Report to this Court.

1 On December 12, 2023, the Court accepted the parties’ stipulation to consolidate the two related
2 cases, *State of Nevada, ex rel., Commissioner of Insurance, Barbara Richardson in her official capacity*
3 *as Receiver for Nevada Health Co-Op v. Nino Pedrini*, Case No. A-22-860744-C (the “*Pedrini Action*”),
4 and *State of Nevada, ex rel., Commissioner of Insurance, Barbara Richardson in her official capacity*
5 *as Receiver for Nevada Health Co-Op v. WellHealth Medical Associates*, Case No. A-21-845440-B (the
6 “*WellHealth Action*”). Both cases arise out of the same series of transactions and occurrences, and
7 involve common questions of law and fact.

8 The Receiver filed his *Motion for Partial Summary Judgment* against WellHealth on March 29,
9 2024. On April 15, 2024, the Receiver filed notice with the Court that no opposition to the motion had
10 been filed by any party, and requested the Court grant the Receiver’s motion. Also on April 15, 2024,
11 the Receiver filed a *Motion for Leave to File Second Amended Complaint* (“*Motion for Leave to Amend*”) in
12 the WellHealth Action, and on April 29, 2024, Defendants Medsource, Robert Baratta, and Nino
13 Pedrini filed an opposition to said motion. A hearing on the Receiver’s *Motion for Leave to Amend* was
14 set for May 21, 2024. However, on April 17, 2024, WellHealth filed for bankruptcy under Chapter 7 of
15 Title 7 of the United States Code in the United States Bankruptcy Court for the District of Nevada (Case
16 No. 24-11839-nmc). Due to the bankruptcy filing, the parties agreed that until the bankruptcy court lifts
17 the automatic stay under 11 U.S.C. § 362, this case and any pending hearings (such as the May 21, 2024,
18 hearing) may not proceed. Based on this, the Court did not decide the Receiver’s *Motion for Partial*
19 *Summary Judgment*, and later vacated the May 21, 2024, hearing on the Receiver’s *Motion for Leave to*
20 *Amend*.

21 The Bankruptcy case is in progress. A creditors meeting was held on May 20, 2024. On June 6,
22 2024, the Receiver filed a Proof of Claim in the WellHealth Bankruptcy proceeding. The Receiver has
23 served subpoenas on Robert Baratta, Nino Pedrini, Medsource, Brian Shapiro (Bankruptcy Trustee),
24 First Independent Bank, and Michele R. Volker (in her individual capacity and in her capacity as Trustee
25 of the Volker Family Trust, and Volkner Investment Trust). The Trustee produced WellHealth’s tax
26 return for 2019, which declared the \$1,908,000 installment payment from Davita Medical Management
27 Services Nevada, LLC (“Davita”) for the asset purchase and the \$1,462,620 Wellhealth received from
28 Davita earlier. The tax return states that WellHealth Medical Group (Volker) PC (the “PC”) is a partner

1 that owns 98.227% of WellHealth. First Independent Bank produced the bank statements from
2 WellHealth, the PC, and Medsource going back to 2018. Those statements appear to reveal that profits
3 from the asset sale to Davita were transferred to Medsource and from there to Volker, Pedrini, and
4 possibly Barrata. Baratta, Pedrini, Medsource, and Volker’s widow objected to the subpoenas and the
5 Receiver will next prepare a motion to compel. The Receiver is in discussion with the Trustee on how
6 to best pursue fraudulent transfer and alter ego claims to increase the bankruptcy estate (and thereby the
7 Receiver’s recovery). The State Court set a status check hearing for December 3, 2024.

8 **Current Receivership Assets**

9 The Receiver’s evaluation of the assets and liabilities of the CO-OP is ongoing, and adjusted
10 periodically to accommodate newly authorized payments, receipts, and transfers. Below is an overview
11 of some key asset matters thus far identified by the Receiver (other than those already mentioned herein):

12 1. The currently available, unrestricted cash assets of the CO-OP as of October 31, 2024,
13 were approximately \$1,002,284. The majority of NHC’s currently available and liquid assets are held
14 in bank deposits.

15 2. The financial information of NHC in this Thirty-Seventh Status Report provides
16 estimates. NHC’s financials may materially vary depending upon the estate’s receipt of future litigation
17 recoveries.

18 3. The Receiver is including, as **Exhibit 2** attached hereto, a cash flow report for NHC for
19 the period covering the inception of the receivership through October 31, 2024. This report reflects a
20 summary of disbursements and collections made by NHC during this period.

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1 **CONCLUSION**

2 The Receiver has submitted this report in compliance with the Receivership Court’s instructions
3 for a status report on NHC. The Receiver requests that the Court approve this Thirty-Seventh Status
4 Report and the actions taken by the Receiver.

5 DATED this **5th day of December 2024**.

6 Respectfully submitted:

7 Scott Kipper, Commissioner of Insurance
8 of the State of Nevada, in his Official
9 Capacity as Statutory Receiver of
Delinquent Domestic Insurer

10 By: */s/ Cantilo & Bennett, L.L.P.*
11 Special Deputy Receiver
12 By Its Authorized Representative
13 MARK F. BENNETT

13 Respectfully submitted by:
14 GREENBERG TRAUIG, LLP

15 */s/ Donald L. Prunty*

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21 *Counsel for Scott Kipper,*
22 *Commissioner of Insurance, as the*
23 *Permanent Receiver for Nevada Health*
CO-OP

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26 Exhibits may be requested by contacting the Special Deputy Receiver at 512-478-6000
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