

Carl M. Buchholz (Pa. Bar ID 65567)
carl.buchholz@dlapiper.com
Stephen W. Schwab (Pa. Bar ID 315169)
stephen.schwab@dlapiper.com
DLA PIPER LLP (US)
One Liberty Place
1650 Market Street, Suite 4900
Philadelphia, PA 19103-7300
Tel: 215.656.3300
Fax: 215.656.3301

*Attorneys for Michael F. Consedine,
Insurance Commissioner of Pennsylvania, in
his capacity as statutory rehabilitator of
Penn Treaty Network America Insurance
Co. and American Network Insurance Co.*

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Penn Treaty Network America Insurance
Company in Rehabilitation

DOCKET NO. 1 PEN-2009

In Re: American Network Insurance Company in
Rehabilitation

DOCKET NO. 1 ANI-2009

2009 MAR 14 P 4:31
COMMONWEALTH COURT
OF PENNSYLVANIA

**RESPONSE OF MICHAEL F. CONSEDINE TO INTERVENORS' SUPPLEMENTAL
APPLICATION FOR RELIEF TO RECOVER PROFESSIONAL FEES, COSTS AND
OTHER EXPENSES**

Michael F. Consedine, Insurance Commissioner of the Commonwealth of Pennsylvania (the "Commissioner"), in his capacity as statutory rehabilitator (the "Rehabilitator") of Penn Treaty Network America Insurance Company in Rehabilitation ("PTNA") and of American Network Insurance Company in Rehabilitation ("ANIC"; collectively, with PTNA, the "Companies"), by and through his attorneys, DLA Piper LLP (US), hereby responds to the Supplemental Application for Relief to Recover Professional Fees, Costs and Expenses of Intervenor Eugene J. Woznicki and Penn Treaty American Corporation ("Intervenors").

While the Rehabilitator does not object to Intervenor's calculations or otherwise oppose their request for relief, the Rehabilitator wishes to clarify the record regarding certain of the assertions Intervenor has made in their Application, and to reserve his right to object to further

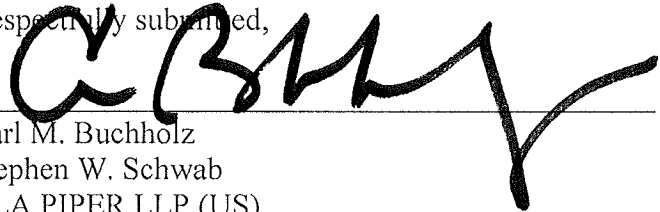
requests by Intervenors to have their fees, costs, and expenses paid out of the Companies' estates.

First, Intervenors mischaracterize the relief the Commissioner has requested in his appeal (the "Appeal") of this Court's Opinion and Order dated May 3, 2012, as amended December 28, 2012. Further, the substantive arguments made and relief requested in the various briefs and other papers the Commissioner has filed in the Appeal are neither relevant nor material to the Intervenors' Supplemental Application, and the Commissioner hereby respectfully reserves all of his rights and defenses in respect thereof.

Second, Intervenors indicate in a footnote that they intend to apply for further fees, costs, and expenses. *Id.* at intro. para. n.1. Though he has elected not to object to Intervenors' fee applications to date, by doing so, the Rehabilitator has not acquiesced to the award of further fees, nor has he conceded the Intervenors' entitlement to such fees. Rather, the Rehabilitator represents to the Court only that he does not object to the instant request, which he believes sets forth amounts that are fairly within the scope of what Intervenors may recover as part of the proceedings on the Commissioner's petition to convert the Companies' rehabilitation into a liquidation pursuant to 218(a), and nothing more. The Rehabilitator expressly reserves his right to object to future fee applications.

Dated: March 24, 2014

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read 'CMBH', is written over a horizontal line.

Carl M. Buchholz
Stephen W. Schwab
DLA PIPER LLP (US)
One Liberty Place
1650 Market Street, Suite 4900
Philadelphia, PA 19103-7300
Telephone: 215.656.3300
Facsimile: 215.656.3301

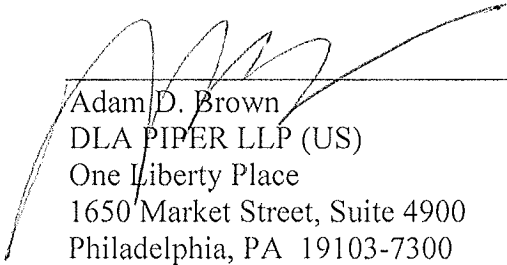
*Attorneys for Michael F. Consedine, Insurance
Commissioner of Pennsylvania, in his capacity as
statutory rehabilitator of Penn Treaty Network
America Insurance Co. and American Network
Insurance Co.*

CERTIFICATE OF SERVICE

I, Adam D. Brown, certify that I will cause a Notice of Filing of the foregoing Response to the Supplemental Application for Relief to Recover Professional Fees, Costs and Expenses of Intervenor Eugene J. Woznicki And Penn Treaty American Corporation to be served on all parties listed on the Master Service List by electronic mail or facsimile, or by U.S. Mail where no electronic mail address or facsimile number was available, and that I on March 24, 2014 served the foregoing Response upon Intervenor Penn Treaty American Corporation and Eugene J. Woznicki as follows:

Douglas Y. Christian, Esquire
Ballard Spahr LLP
1735 Market Street, 51st Floor
Philadelphia, PA 19103
christian@ballardspahr.com

Attorneys for Intervenor Penn Treaty American Corporation and Eugene J. Woznicki,


Adam D. Brown
DLA PIPER LLP (US)
One Liberty Place
1650 Market Street, Suite 4900
Philadelphia, PA 19103-7300
Telephone: 215.656.3300
Facsimile: 215.656.3301

Attorneys for Rehabilitator