

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Penn Treaty Network America
Insurance Company in Rehabilitation

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DOCKET NO. 1 PEN 2009

In Re: American Network Insurance
Company in Rehabilitation

DOCKET NO. 1 ANI 2009

ORDER

AND NOW, this ____ day of _____, 2015,

upon consideration of the Acting Statutory Rehabilitator Teresa D. Miller's
(Amended) Application for Relief Seeking an Order Holding All Discovery in
Abeyance, it is hereby ORDERED that the Application for Relief is GRANTED.

It is further ORDERED that all discovery is held in abeyance pending resolution of
the expedited applications currently pending before the Court.

HON. MARY HANNAH LEAVITT
Judge of the Commonwealth Court

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
	:	

**THE REHABILITATOR’S (AMENDED) APPLICATION FOR RELIEF
SEEKING ENTRY OF AN ORDER HOLDING ALL DISCOVERY IN
ABEYANCE PENDING RESOLUTION OF EXPEDITED APPLICATIONS**

Pennsylvania Acting Insurance Commissioner Teresa D. Miller, in her capacity as statutory rehabilitator (“Rehabilitator”) of Penn Treaty Network America Insurance Company (“PTNA”) and American Network Insurance Company (“ANIC”), hereby requests that the Court enter an order holding discovery in abeyance pending decision on four (now three) applications¹ that

¹ The three pending applications are: (1) Intervenors’ Application for Relief for an Order Rejecting the Rehabilitator’s Plan or, in the Alternative, Requiring the Rehabilitator to Provide Certain Explanations in Advance of the Hearing; (2) Health Insurers’ Application for Relief to Modify the Plan to Eliminate the Payment of Agent Commissions on Company A Policies; and (3) Health Insurers’ Application for Relief to Modify the Plan to Eliminate the Use of Estate Assets to Pay “Uncovered Benefits” Claims Made Under Policies Terminated Pursuant to 40 P.S. §§ 221.20 and 221.21. On April 17, 2015, the Court decided a fourth application, the Policyholders’ Committee’s Application to Strike the Formal Comments of the Health Insurers.

remain pending before the Court, briefing on which has been expedited and oral argument on which will be held on May 11, 2015, and in support, states:

On March 27, 2015, the Rehabilitator filed an application for a protective order in respect of discovery requests served by the Intervenors. The Rehabilitator intends to file a similar Application (together with the pending Application regarding the Intervenors' discovery, the "Applications for Protective Order") with respect to discovery sought by the Health Insurers, further discussed below. By her application, the Rehabilitator seeks to limit the scope of discovery to matters pertaining to express provisions of the Second Amended Plan of Rehabilitation (the "Plan") or to the methods used by the Rehabilitator, acting through the Special Deputy Rehabilitator, to develop the Plan and, further, to only such of those matters as were timely raised with the Court through Formal Objections. That application has been stayed pending resolution of the expedited applications.

During a status conference on April 6, 2015, the Court held all depositions in abeyance pending decision on the expedited applications. The Court further stated that the scope of discovery will not be determined until after the expedited applications have been resolved. The Court directed that the Rehabilitator and the Intervenors continue in the interim to seek resolution of their disputes over the scope of discovery. Counsel have worked diligently to resolve that dispute, but to date certain disagreements remain; counsel are continuing to meet and confer.

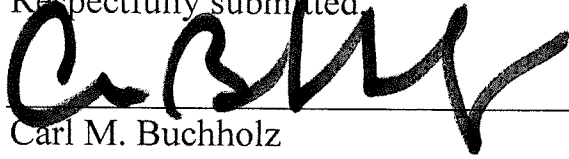
Discovery has mounted quickly and substantially. The Intervenors recently issued additional requests for admission, interrogatories and requests for production. The Health Insurers also have issued their own requests for admission, interrogatories and requests for production, as well as notices and subpoenas *duces tecum* for deposition. Collectively, the Rehabilitator has been served with discovery requests that now number in the hundreds (including subparts) and call for weeks of deposition testimony. The Rehabilitator will be objecting to many of such requests and, as noted will be filing an additional application for protective order to address such discovery.

The Rehabilitator respectfully submits that responding to written discovery requests before the proper scope of discovery has been determined would not be an efficient use of estate resources, nor will it effectively narrow the fact issues to be tried at the July hearing on the Plan.

Accordingly, the Rehabilitator respectfully requests that the Court hold in abeyance all discovery, including written discovery, pending resolution of the three expedited applications and the Applications for Protective Order.

Dated: May 1, 2015

Respectfully submitted,



Carl M. Buchholz
Stephen W. Schwab
Jayne A. Risk
Carl H. Poedtke III
DLA PIPER LLP (US)
One Liberty Place
1650 Market Street, Suite 4900
Philadelphia, PA 19103
Tel: 215.656.3300
Fax: 215.656.3301

James R. Potts
COZEN O'CONNOR
1900 Market Street
Philadelphia, PA 19103
Tel: 215.665.2000
Fax: 215.701.2102

*Attorneys for Teresa D. Miller, Acting
Insurance Commissioner of Pennsylvania, in
her capacity as statutory rehabilitator of
Penn Treaty Network America Insurance Co.
and American Network Insurance Co.*

CERTIFICATE OF SERVICE

I certify that I will cause the foregoing (Amended) Application for Relief Seeking Entry of an Order Holding All Discovery in Abeyance to be posted to the Companies' Rehabilitation website, and that a Notice of Filing of the same will be served on all parties listed on the Master Service List. I further certify that on May 1, 2015, I caused the foregoing Application for Relief to be served via email on the following counsel of record:

Douglas Y. Christian
Benjamin M. Schmidt
Ballard Spahr LLP
1735 Market Street, 51st Floor
Philadelphia, PA 19103-7300
christiand@ballardspahr.com
schmidtB@ballardspahr.com

Elizabeth J. Goldstein
Dilworth Paxson, LLP
112 Market Street, Suite 800
Harrisburg, PA 17101
egoldstein@dilworthlaw.com

James R. Potts
Cozen O'Connor
1900 Market Street – Fourth Floor
Philadelphia, PA 19103
JPotts@cozen.com

Stephen H. Warren
O'Melveny & Myers LLP
400 South Hope Street
Los Angeles, CA 90071
swarren@omm.com

Paul M. Hummer
Saul Ewing LLP
Centre Square West
1500 Market Street, 38th Floor
Philadelphia, PA 19102-2186
PHummer@saul.com

Harold S. Horwich
Benjamin J. Cordiano
Morgan Lewis LLP
One State Street
Hartford, CT 06103-3178
harold.horwich@morganlewis.com
benjamin.cordiano@morganlewis.com

Charles T. Richardson
Caryn M. Glawe
Faegre Baker Daniels
1050 K Street NW, Suite 400
Washington, DC 20001-4448
charlie.richardson@FaegreBD.com
caryn.glawe@FaegreBD.com

Thomas A. Leonard
Richard P. Limburg
Obermayer Rebmann Maxwell &
Hippel LLP
One Penn Center, 19th Floor
1617 John F. Kennedy Blvd.
Philadelphia, PA 19103-1895
thomas.leonard@obermayer.com
richard.limburg@obermayer.com



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