

**IN THE COMMONWEALTH COURT OF PENNSYLVANIA**

In Re: Penn Treaty Network America :  
Insurance Company in Rehabilitation : No. 1 PEN 2009

In Re: American Network Insurance :  
Company in Rehabilitation : No. 1 ANI 2009

**REPLY BRIEF IN FURTHER SUPPORT OF THE FIRST QUARTER 2016  
SUPPLEMENTAL APPLICATION FOR RELIEF OF THE INTERVENORS EUGENE J.  
WOZNICKI AND PENN TREATY AMERICAN CORPORATION TO  
RECOVER PROFESSIONAL FEES, COSTS AND OTHER EXPENSES**

The Intervenors respond below to the arguments raised in the Rehabilitator's May 16, 2016 Response with just a few important points:

- The Court's September 9, 2015 Decision. The Rehabilitator's Response vaguely incorporates her August 17, 2015 Brief filed in opposition to the Intervenors' Second Quarter 2015 Application, but does not identify to which arguments in particular she refers. The Intervenors addressed the Rehabilitator's August 17, 2015 Brief in their August 28, 2015 Reply Brief, which is incorporated herein by reference. This Court should grant the First Quarter 2016 Application for the same reasons that the Court granted the Second Quarter 2015 Application set forth in the Court's Memorandum and Opinion filed on September 9, 2015.

- Grant Thornton LLP. The Rehabilitator argues that \$45,738 of Grant Thornton LLP's fees and expenses should not be reimbursed because that firm was jointly retained by the Intervenors and Broadbill Partners, LP ("Broadbill"). Since Broadbill intervened in this proceeding, it has been assisting Woznicki and PTAC in the defense against the Rehabilitator's efforts to liquidate the companies, and has staunchly advocated in support of the continued rehabilitation of the Companies. This is demonstrated in detail by Broadbill's Formal Comments filed August 30, 2013 to the Rehabilitator's April 2013 Plan, and Broadbill's Formal Comments filed February 13, 2015 to the Rehabilitator's Second Amended Plan, which are

incorporated herein by reference. Grant Thornton's retention has aided the parties in addressing potential settlement approaches to this dispute and by addressing certain potential tax risks to the estates of the Companies. Under the terms of the joint retention of Grant Thornton, LLP, the Intervenor's are responsible for paying that firm's fees and expenses in total. Accordingly, the Intervenor's are entitled to recover their reasonable costs and fees related to Grant Thornton, LLP in the amount of \$45,738.

- Reasonableness of the Relief Sought. The Rehabilitator has not and cannot argue that the Intervenor's have retained an excessive number of professionals or are charging unreasonable rates in relation to the importance of these rehabilitation proceedings or by comparison to the number of professionals and rates charged by other professionals working in the rehabilitation arena including other parties and intervenors to this proceeding. Jointly retaining Grant Thornton, LLP has served to minimize the costs and fees sought to be reimbursed by, *inter alia*, reducing the number of witnesses deposed and who may be called to testify at any hearing in this matter.

WHEREFORE, the Intervenor's respectfully request the Application to be granted.

Respectfully submitted,

Dated: June 2, 2016

/s/ Benjamin M. Schmidt  
Douglas Y. Christian (Id. No. 41934)  
Benjamin M. Schmidt (Id. No. 205096)  
BALLARD SPAHR LLP  
1735 Market Street, 51<sup>st</sup> Floor  
Philadelphia, PA 19103  
(215) 665-8500  
christiand@ballardspahr.com  
schmidtb@ballardspahr.com

*Attorneys for Intervenor's Eugene J. Woznicki  
and Penn Treaty American Corporation*

## CERTIFICATE OF SERVICE

I hereby certify that on June 2, 2016, I caused a true and correct copy of the Reply Brief in Further Support of the First Quarter 2016 Supplemental Application for Relief of the Intervenor Eugene J. Woznicki and Penn Treaty American Corporation to be served electronically upon the following counsel:

Stephen Schwab  
Jayne Anderson Risk  
Adam Brown  
Nathan Heller  
Justin Kerner  
DLA Piper LLP (US)  
One Liberty Place  
1650 Market Street, Suite 4900  
Philadelphia, PA 19103-7300  
carl.buchholz@dlapiper.com  
stephen.schwab@dlapiper.com  
jayne.risk@dlapiper.com  
adam.brown@dlapiper.com  
nathan.heller@dlapiper.com  
justin.kerner@dlapiper.com

James R. Potts  
Cozen O'Connor  
One Liberty Place  
1650 Market Street  
Philadelphia, PA 19103  
JPotts@cozen.com

Paul M. Hummer  
James S. Gkonos  
Saul Ewing LLP  
Centre Square West  
1500 Market Street, 38<sup>th</sup> Floor  
Philadelphia, PA 19102-2186  
phummer@saul.com  
jgkonos@saul.com

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

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

Gary Svirsky  
Jack Nolan  
O'Melveny & Myers LLP  
Times Square Tower  
7 Times Square  
New York, NY 10036  
gsvirsky@omm.com  
jnolan@omm.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

John P. Lavelle, Jr.  
Morgan Lewis LLP  
1701 Market St.  
Philadelphia, PA 19103-2921  
jlavelle@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, 19<sup>th</sup> Floor  
1617 John F. Kennedy Blvd.  
Philadelphia, PA 19103-1895  
thomas.leonard@obermayer.com  
richard.limburg@obermayer.com

/s/ Benjamin M. Schmidt  
Benjamin M. Schmidt