

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

CIVIL DIVISION

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

Petitioner,

v.

D.C. CHARTERED HEALTH PLAN, INC.,

Respondent.

Civil Action No.: 2012 CA 008227 2

Judge: Melvin R. Wright

Next Event: Status Hearing July 17, 2013,
at 9:30 a.m.

**PARTY-IN-INTEREST D.C. HEALTHCARE SYSTEM, INC.'S
OPPOSITION TO MOTION TO CONSOLIDATE**

The Rehabilitator of D.C. Chartered Health Plan, Inc. (“Chartered”) has filed a motion to consolidate with the instant proceeding (the “Rehabilitation”) a new action that the Rehabilitator caused Chartered to file against D.C. Healthcare Systems, Inc. (“DCHSI”) and its sole shareholder, Jeffrey E. Thompson, styled *D.C. Chartered Health Plan, Inc. (in Rehabilitation)*, by and through William P. White, Commissioner of the District of Columbia Department of Insurance, Securities and Banking, in his capacity as Rehabilitator, by his Special Deputy, Daniel L. Watkins v. Jeffrey E. Thompson and D.C. Healthcare Systems, Inc., C.A. No. 13-0003752 (filed May 30, 2013) (the “New Action”). The New Action has been assigned to Judge John M. Mott of this Court.

The Rehabilitator asks that the Rehabilitation and New Action be consolidated before this Court on the grounds that the two matters involve “common issues of fact, common property, common parties, and related events.” DCHSI is constrained to respond, because the Rehabilitator’s premise is incorrect.

As this Court is well aware, the Rehabilitation has involved very little in the way of fact determination and no evidentiary hearings. The principal issue has been the Rehabilitator's transfer of Chartered's assets to AmeriHealth, an issue not even mentioned in the complaint in the New Action; that issue is on appeal and the transfer has been completed. The going-forward focus appears to be resolving the claims of providers against Chartered for unpaid amounts; that issue too is not mentioned in or relevant to the complaint in the New Action.

The focus of the New Action is on transactions that have never been examined or been the subject of more than passing reference in the instant action: alleged debt from inter-corporate transfers and under a tax allocation agreement and alleged debt under an alleged indemnification agreement arising in connection with a bank loan. Accordingly, there is little if any overlap of facts. The corresponding legal issues likewise necessarily are entirely distinct. And, the Rehabilitation is a matter for the Court, while the New Action will be decided by a jury.

Further, as to the parties, although Chartered and DCHSI are involved in the Rehabilitation, Jeffrey E. Thompson, a named defendant in the New Action, has never appeared in the Rehabilitation. Indeed, until this motion to consolidate, the Rehabilitator had taken the (incorrect) position that DCHSI is not a party to the Rehabilitation; it seems the Rehabilitator will take whatever position serves his immediate interests, but that does not serve as a basis for consolidation.

Because there is no common core of fact and/or law, and because consolidation would not enhance the efficient resolution of either matter, DCHSI opposes consolidation and asks that the court deny the Rehabilitator's motion.

Dated: June 13, 2013

Respectfully submitted,

_____/s/_____
David Killalea (DC Bar 418724)
John Ray (DC Bar 214353)
Manatt, Phelps & Phillips, LLP
700 12th Street, NW, Suite 1100
Washington, DC 20005-4075
Tel. (202) 585-6500
Fax. (202) 585-6600
Counsel for DCHSI

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of June, 2013, a copy of the foregoing was filed and served by email upon:

Prashant K. Khetan, Esquire
Troutman Sanders, LLP
401 9th Street, NW, Suite 1000
Washington, DC 20004
(202) 274-2950
prashant.khetan@troutmansanders.com

David Herzog
Faegre Baker Daniels LLP
300 N. Meridian Street, Suite 2700
Indianapolis, IN 46204-1750
(317) 237-0300
David.Herzog@faegrebd.com

James L. Volling
Faegre Baker Daniels LLP
2200 Wells Fargo Center
90 S. Seventh Street
Minneapolis, MN 55402-3901
(612) 766-7000
James.Volling@faegrebd.com

E. Louise R. Phillips
Assistant Attorney General
441 Fourth Street, N.W., 650N
Washington, DC 20001
louise.phillips@dc.gov

Stacy Anderson
Assistant Attorney General
441 Fourth Street, N.W., 650N
Washington, DC 20001
stacy.anderson2@dc.gov

Donna Murasky
Deputy Solicitor General
441 Fourth Street, N.W.
Washington, DC 20001
donna.murasky@dc.gov

William P. White, Commissioner
c/o Stephanie Schmelz, Senior Counsel,
DISB, Office of the General Counsel
810 First St., NE, Suite 701
Washington, D. C. 20002
stephanie.schmelz@dc.gov

Charles T. Richardson, Esquire
Faegre Baker Daniels LLP
1050 K Street NW, Suite 400
Washington, DC 20001
crichardson@faegrebd.com

Daniel Watkins, Esquire
Special Deputy to the Rehabilitator
1050 K Street NW, Suite 400
Washington, DC 20001
danwatkins@sunflower.com

Courtesy Copies to:

Stephen I. Glover, Esquire
Gibson, Dunn & Crutcher
1050 Connecticut Avenue, NW
Washington, D. C. 20036
siglover@gibsondunn.com

Joseph D. Edmondson, Jr.
Foley & Lardner LLP
3000 K Street, NW, Suite 600
Washington, D. C. 20007
jedmondson@foley.com

_____/s/_____
David Killalea
Counsel to DCHSI

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

CIVIL DIVISION

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

Petitioner,

v.

D.C. CHARTERED HEALTH PLAN, INC.,

Respondent.

Civil Action No.: 2012 CA 008227 2

Judge: Melvin R. Wright

Next Event: Status Hearing July 17, 2013,
at 9:30 a.m.

ORDER

Upon consideration of Petitioner's Motion to Consolidate and Respondent's Opposition thereto, it is on this ___ day of June, 2013, by the Superior Court of the District of Columbia, hereby:

ORDERED, that Petitioner's Motion to Consolidate is DENIED.

Judge Melvin R. Wright

Copies to:

Prashant K. Khetan, Esquire
Troutman Sanders, LLP
401 9th Street, NW, Suite 1000
Washington, DC 20004
(202) 274-2950
prashant.khetan@troutmansanders.com

David Herzog
Faegre Baker Daniels LLP
300 N. Meridian Street, Suite 2700
Indianapolis, IN 46204-1750
(317) 237-0300
David.Herzog@faegrebd.com

E. Louise R. Phillips
Assistant Attorney General
441 Fourth Street, N.W., 650N
Washington, DC 20001
louise.phillips@dc.gov

Stacy Anderson
Assistant Attorney General
441 Fourth Street, N.W., 650N
Washington, DC 20001
stacy.anderson2@dc.gov

Donna Murasky
Deputy Solicitor General
441 Fourth Street, N.W.
Washington, DC 20001
donna.murasky@dc.gov

William P. White, Commissioner
c/o Stephanie Schmelz, Senior Counsel,
DISB, Office of the General Counsel
810 First St., NE, Suite 701
Washington, D. C. 20002
stephanie.schmelz@dc.gov

Charles T. Richardson, Esquire
Faegre Baker Daniels LLP
1050 K Street NW, Suite 400
Washington, DC 20001
crichardson@faegrebd.com

Daniel Watkins, Esquire
Special Deputy to the Rehabilitator
1050 K Street NW, Suite 400
Washington, DC 20001
danwatkins@sunflower.com

David B. Killalea
Manatt, Phelps & Phillips, LLP
700 12th Street, NW, Suite 1100
Washington, DC 20005
(202) 585-6500
dkillalea@manatt.com