

GLOBAL SETTLEMENT AGREEMENT

This Global Settlement Agreement is entered into as of October 6, 2017 between Zoom Management, Inc. (“ZMI”), Zoom Health Plan, Inc. (“ZHP”), the State of Oregon, acting by and through the Oregon Department of Consumer and Business Services (“DCBS”), Jean Straight in her capacity as the receiver of all the property and assets of ZHP (the “Receiver”), David Sanders, MD (“Dr. Sanders”) and Albert DiPiero, MD (“Dr. DiPiero”) (each a “Party” and collectively the “Parties”).

WHEREAS, ZHP is an Oregon health care service contractor that offers health plans in the individual, small group, and large group markets in Oregon;

WHEREAS, ZMI is a member of ZHP’s insurance holding company system, as such term is defined in ORS 732.548(4);

WHEREAS, Dr. Sanders is CEO of ZMI, an owner of ZHP and ZMI, and the President/CEO of ZHP;

WHEREAS, Dr. DiPiero is Executive Vice President of ZMI, an owner of ZHP and ZMI, and Secretary and Treasurer of ZHP;

WHEREAS, in 2014, ZMI and ZHP entered into an Administrative Services Agreement pursuant to which ZMI provided administrative services necessary to the functioning of ZHP (“ASA”) and WHEREAS ZMI contends ZHP owes certain payments for services rendered thereunder;

WHEREAS, on March 22, 2017, ZHP’s officers gave notice to DCBS of their intent to close ZHP;

WHEREAS, on April 21, 2017, ZHP and DCBS entered into a stipulated order, which appointed the Receiver to take charge of, manage, and rehabilitate ZHP pursuant to ORS 734.150 and ORS 734.220 (the “Receivership”), and appointed Wayne Johnson of Risk and Regulatory Consulting, LLC, as the special deputy receiver (the “Deputy Receiver”);

WHEREAS, on April 25, 2017, the Receiver, on behalf of ZHP, filed a Complaint against ZMI in the Circuit Court for the County of Marion (Case No. 17CV16957) (“Surplus Note Action”) alleging breach of contract and seeking payment on a surplus note issued by ZHP in the original principal amount of Three Million Dollars (\$3,000,000) and dated December 30, 2016 (“Surplus Note”);

WHEREAS, on July 5, 2017, the Receiver filed a Motion to Compel Production of Documents by Zoom Management, Inc. (“Motion to Compel”);

WHEREAS, DCBS has made certain allegations of violations of the Insurance Code by ZMI, ZHP and its officers related to the operations of ZHP; and

WHEREAS, the Parties wish to enter into this Global Settlement Agreement to end any and all disputes, investigations, and records requests associated with the Receivership; avoid

disruption of services to members; and assist the Receiver and Deputy Receiver in their efforts to wind up ZHP's operations.

NOW THEREFORE, in consideration of the mutual promises and releases contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Definitions. For the purposes of this Global Settlement Agreement and any exhibits hereto:

- a. "Insurance Code" has the meaning set forth in ORS 731.004.
- b. "Litigation Costs" are those actual out-of-pocket costs of litigation against or settlement with ZMI as reflected in the Receiver's Statement of Anticipated Administrative Expenses (included as part of Exhibit E hereto). Litigation Costs do not include the cost of the Deputy Receiver's counsel which are included in Receivership Costs.
- c. "Loss Adjustment Expenses" means out-of-pocket liabilities or expenses incurred in defending and/or settling a Third Party Liability that is brought by a member, group, plan or provider with respect to a ZHP Plan. Loss Adjustment Expenses do not include the ordinary overhead expenses of ZHP (such as the cost of ZHP staff) or Receivership Costs.
- d. "Ordinary Course of the Health Insurance Business" shall mean the payment for or reimbursement for a solvent runoff of (i) health care services or expenses in accordance with the terms of a ZHP Plan, (ii) general operating expenses and claims of creditors of ZHP, or (iii) Affordable Care Act Risk Adjustment.
- e. "Released Parties" shall be defined as set forth in the Global Release attached hereto as Exhibit F.
- f. "Third Party Liabilities" means the cost of paying ZHP Plan third-party medical claims, patient/member tort claims and Loss Adjustment Expenses.
- g. "Unanticipated Liabilities" means any claim, dispute, accounting discrepancy, or other material financial issue (a) which was not contemplated by the run-out calculations in the Pro Forma (defined below), (b) which requires ZHP to undertake an investigation, records review, or financial systems audit, retain outside experts, or incur other administrative expenses, and (c) the cost of responding to which is material.
- h. "ZHP Plan" shall mean any individual, small group, and large group health benefit plans and policies issued by ZHP.

2. Effective Date. The Parties acknowledge and agree that, with the exception of Section 3 which is in full force and effect upon the date first listed above, this Global Settlement Agreement will be effective upon the closing (the "Closing"). The Closing shall occur without further action by the Parties upon the occurrence of the following contingencies, and

all Parties shall, immediately after the Closing, exchange a written acknowledgement that the Closing has occurred:

- a. ZMI Financing. ZMI obtains debt and/or equity financing on reasonable terms and conditions in an amount sufficient to satisfy all of ZMI's or its officers' liabilities or potential liabilities under this Global Settlement Agreement, including the penalties due under the Stipulated Consent Order attached hereto as Exhibit A. ZMI shall use commercially reasonable efforts to obtain debt and/or equity financing on reasonable terms and conditions and to otherwise satisfy the foregoing contingency as soon as practicable after the date of this Agreement;
- b. Court Approval. If no objection to the stipulated joint motion seeking approval of the Global Settlement Agreement by the Court is filed and the Oregon Circuit Court for the County of Marion issues an order approving the Global Settlement Agreement, without condition or modification, then Court approval shall have occurred upon entry of such order. If an objection to the stipulated joint motion seeking approval of the Global Settlement Agreement by the Court is filed before the Court order is issued, Court approval shall occur thirty (30) days after the date such order was entered unless an appeal of such order shall have been taken and a stay shall have been entered with respect to the order, in which case Court approval shall occur upon the resolution of such appeal and the expiration of such stay. The parties will cooperate in good faith to file an agreed stipulated joint motion seeking approval of the Global Settlement Agreement by the Court; and
- c. Funding. ZMI pays to ZHP, in cash, the Run-Off Capital described in Section 5(a) below. The Court order described in 2(b) may require this payment to be made within one business day of entry of the Court order.

If the financing contingency set forth in 2(a) above or the filing of the motion set forth in 2(b) above, or both, fail to occur on or before October 11, 2017 or such later date agreed to by the parties in writing, this Global Settlement Agreement, other than Section 3 below, shall be terminated and of no further force or effect.

3. Provisions Effective Upon Signing. Effective upon Signing of this Global Settlement Agreement, the Parties agree as follows:
 - a. Resolution of Motion to Compel. The Receiver shall dismiss the Motion to Compel and the parties shall file the Stipulated Order re: Production of Documents and Stipulated Protective Order attached hereto as Exhibit B.
 - b. Termination of ASA. ZHP and ZMI agree to sign the attached Termination of Administrative Services Agreement attached hereto as Exhibit C and to release all claims related thereto.
 - c. Technical Support Agreement. ZHP and ZMI agree to sign the attached Technical Support Agreement attached hereto as Exhibit D including its Attachments A-1 and B.

This Section 3 shall survive any termination of this Agreement, and shall remain in full force and

effect whether or not the Closing occurs.

- 4. Winding up of ZHP Operations.** The Receiver agrees to use commercially reasonable efforts to wind up ZHP's operations as a health care service contractor, pay all valid claims of creditors and claimants and other obligations in full (other than obligations under the Surplus Note), and terminate or non-renew all ZHP Plans in accordance with this Agreement.
- a. Pro Forma. The Parties hereby agree that the Pro Forma and Statement of Anticipated Administrative Expenses attached hereto as Exhibit E ("Pro Forma") identifies ZHP's assets, liabilities and cash flows and represents the Parties' best estimate of the total cash funding necessary to wind up ZHP's operations as a health care service contractor, including the dollar value of all anticipated claims under existing insurance contracts, administrative and legal costs, fees due to the Receiver and Deputy Receiver, risk adjustment payments, statutory minimum capital and surplus, and valid claims of creditors and claimants and other obligations (other than obligations under the Surplus Note). Without limiting paragraph 5(b), the Receiver agrees to use commercially reasonable efforts to operate ZHP in accordance with the run-out calculation established by the Pro Forma.
- b. Receivership Expenses. The Parties agree that it is in their mutual best interest and the interest of ZHP policyholders to minimize the costs of the Receivership. The Receiver shall use her commercially reasonable efforts to minimize receivership expenses, including the fees and costs associated with investigation and litigation. Without limiting the foregoing, the Receiver shall insure that neither she nor the Deputy Receiver spend more than a total combined One Million Five Hundred Thousand Dollars (\$1,500,000) of ZHP funds for the fees and expenses of professionals engaged by the Receiver including the Deputy Receiver, Risk & Regulatory Consulting, LLC and their legal counsel for services rendered and expenses incurred on or after April 21, 2017 until the termination of the Receivership ("Receivership Costs"). For purposes of clarity, Receivership Costs do not include Litigation Costs reflected in the Pro Forma as a separate line item, nor do they include Third Party Liabilities. Except as provided in Section 5(b) and 5(c)(ii) below, the Receiver shall not charge ZHP, and neither ZMI nor ZHP will be liable, for any Receivership Costs in excess of such amount.
- c. Use of ZHP Estate Assets. The Pro Forma anticipates that with the funding of the New Surplus Note, ZHP will have Two Million Five Hundred Thousand Dollars (\$2,500,000) in capital and surplus as required by ORS 750.045 (the "Restricted Funds"). The Receiver will not use the Restricted Funds for payment of any expenses other than Third Party Liabilities, and shall not use the Restricted Funds to pay Third Party Liabilities unless and until ZHP pays more than \$3,617,000 in Third Party Liabilities related to claims with dates of service January 1, 2017 or later; provided, however, that the Receiver may not use the Restricted Funds to pay any Loss Adjustment Expense in excess of \$300,000. The Receiver represents that i) ZHP has not paid or incurred an obligation to pay any Loss Adjustment Expenses since April 21, 2017; and ii) the Receiver does not, as of the date hereof, plan to engage any outside professionals with respect to any claim that would qualify as a Loss Adjustment

Expense. The Receiver shall not be required to maintain the Restricted Funds in a segregated account or otherwise separate them from the assets of the estate. This section shall not be construed as further limitation on the amounts that may be paid under Section 4(b).

- d. Termination of Plans. The Receiver shall use commercially reasonable efforts to reach agreement with policyholders to terminate all existing ZHP Plans effective as of December 31, 2017. The Receiver shall ensure that ZHP does not offer to renew any expiring ZHP Plans after the date hereof, and shall provide all notices of termination or non-renewal as required by the Insurance Code.
- e. Ordinary Course Operations. Without in any way limiting (a) through (d) of this Section, the Receiver agrees to operate ZHP in the Ordinary Course of the Health Insurance Business, including satisfying all valid medical claims made by providers and policyholders, collecting premiums, and paying vendors and other creditors and claimants (other than pursuant to the Surplus Note) incurred before and during the Receivership when due. ZHP specifically agrees to pay Zoom Care, P.C., ZoomCare Direct, Inc., ZoomCare Dental, P.C., and Zoom Care Washington PLLC (the "ZoomCare Provider Corporations") in the Ordinary Course of the Health Insurance Business for all claims for health care services unless the Receiver determines that ZHP is likely to be insolvent and will be placed in liquidation. ZHP has adjusted claims for health care services submitted by the ZoomCare Provider Corporations in the Ordinary Course of the Health Insurance Business and after the Effective Date, will pay such claims for health care services in the Ordinary Course of the Health Insurance Business.
- f. Termination of Investigative Activities. In order to preserve the assets of ZHP for payment of claims, DCBS and the Receiver shall terminate all investigations, fact finding, legal processes, due diligence and regulatory reviews of or related to the causes of ZHP's impairment, insolvency or hazardous condition or otherwise related to the Released Parties including, without limitation, the compliance or non-compliance by any of the Released Parties with the Insurance Code; *provided however that*, the Receiver may undertake investigations in the Ordinary Course of the Health Insurance Business. For the avoidance of doubt, investigations of alleged violations of the Insurance Code or other laws or regulations by any of the Released Parties and all alleged violations or claims that have been released pursuant to the Global Release are not in the Ordinary Course of the Health Insurance Business.
- g. Potential Federal Litigation. The parties are aware of a pending federal investigation related to ZHP's operations prior to the receivership ("Federal Investigation"). Should the federal government make any claim against ZHP, DCBS, the Receiver or their employees, officers or affiliates as a result of the pending Federal Investigation, the Receiver shall tender defense of such claim to ZMI, and ZMI shall accept such tender of defense. ZMI shall indemnify and defend the Receiver, DCBS, and ZHP and hold them harmless with respect to any such claim and the costs of defense of such claim.
- h. Potential Liquidation. The Receiver intends to complete the runoff of ZHP's liabilities in the ordinary course of business, but reserves the right to seek an order of liquidation

with respect to ZHP at any time the Receiver determines that ZHP's funds are not sufficient for a successful runoff. ZMI reserves the right to object to a liquidation including objecting to the priority of payment proposed by the Receiver in the event of liquidation. The Receiver will provide ZMI with notice and an opportunity to file an objection with the Court in the event the Receiver determines that liquidation is necessary. In the event that an order of liquidation has been entered with respect to ZHP:

- i. The Run-Off Capital, including amounts deposited in the State Trust Fund, shall be general assets of the liquidation estate available to the Receiver for any use to pay third party claims but not, without permission of the Court, Receivership Costs;
- ii. Any claim that ZMI may have with respect to the repayment of the Run-Off Capital shall have the priority and rights of a capital contribution made through a surplus note; and
- iii. Except as otherwise ordered by the Court after hearing ZMI's objections, if any, the Receiver may use ZHP funds to pay the liabilities of ZHP according to the statutory priorities set forth in ORS 734.360.

5. Run-Off Capital and Trust Fund

- a. Run-Off Capital. On the date of the Closing:
 - i. ZHP and ZMI shall execute an acknowledgement recognizing that no funds were provided in consideration of the Surplus Note, and that the Surplus Note is null and void;
 - ii. ZMI shall purchase from ZHP, and ZHP shall issue to ZMI, a new surplus note in the form attached as Exhibit G, which is hereby approved by DCBS (“New Surplus Note”). The New Surplus Note will be in the amount of Two Million One Hundred Seventy-Eight Thousand Five Hundred Thirty-Eight Dollars (\$2,178,538) (the “Run-Off Capital”), which the Parties agree is sufficient to cover the estimated costs of running off the health plan as estimated in the Pro Forma.; and
 - iii. After receipt of the signed acknowledgement and a signed New Surplus Note, ZMI shall, within one business day, deliver to ZHP an amount in cash equal to Two Million One Hundred Seventy-Eight Thousand Five Hundred Thirty-Eight Dollars (\$2,178,538).
- b. State Trust Fund
 - i. ZHP agrees to place Three Hundred Thousand Dollars (\$300,000) of the Run-Off Capital into a State Trust Fund at ZHP (the “State Trust Fund”) in an account that the Deputy Receiver may draw upon for payment of additional Receivership Costs in excess of the amount specified in Section 4(b) of this Global Settlement Agreement but only in accordance with the procedure described in paragraph (ii) below.

- ii. DCBS will only release funds from the State Trust Fund to ZHP for payment of Receivership Costs to the extent necessary to cover an Unanticipated Liability, as defined above. DCBS will notify ZMI if DCBS reasonably determines that that an Unanticipated Liability requires ZHP to draw funds from the State Trust Fund (the “Drawdown Request”) for payment of additional Receivership Costs. Such notice shall include providing ZMI reasonable access to the ZHP information necessary to evaluate the necessity of the drawdown. After the receipt of any Drawdown Request, ZMI shall have fifteen (15) calendar days (the “Review Period”) to review the Drawdown Request and raise any objections as to the necessity of the drawdown. If ZMI does not raise any objections as to the necessity of the drawdown by the end of the Review Period, ZMI will be deemed to have consented to the Drawdown Request.
 - iii. If, after the end of the Review Period, ZMI does not consent to the Drawdown Request, DCBS may issue a proposed order that sets forth findings that a drawdown from the State Trust Fund is necessary to cover Unanticipated Liabilities. ZMI shall have seven calendar days to review and respond to the proposed order. After reviewing ZMI’s response, DCBS may issue a final order which shall be subject to review as an order in other than a contested case. DCBS agrees that ZMI shall have standing to contest such an order.
- c. Risk Adjustment.
- i. ZMI shall indemnify ZHP for any final Affordable Care Act Risk Adjustment payment liability due to the Centers for Medicare and Medicaid Services (“CMS”) for the 2016 calendar year in excess of Two Million One Hundred and Twenty-Three Thousand Two Hundred and Two Dollars (\$2,123,202).
 - ii. The Receiver shall promptly upon filing provide ZMI with a copy of all filings, data submissions, data corrections, and certifications made to the CMS EDGE Server for the 2017 Plan Year. The Receiver shall submit the filings necessary in order to receive an interim risk adjustment summary report from CMS for the 2017 plan year. The Receiver will provide ZMI with a copy of the CMS interim risk adjustment summary report for 2017 promptly upon receipt, but in no event later than ten (10) business days of receipt. Upon review of the data or receipt of the interim risk adjustment summary report, ZMI may identify to the Receiver any additional suggested actions (i.e., coding audits) ZMI believes the Receiver should take to help mitigate the risk adjustment liability of ZHP. The Receiver shall consider such suggested actions and may condition her agreement to undertake such actions on agreement by ZMI to reimburse the reasonable costs of such actions.
 - iii. ZMI shall indemnify ZHP for any final risk adjustment liability payment made to CMS for the 2017 calendar year that exceeds Milliman's July 6, 2017 estimate; *provided, that* in no event will ZMI’s liability for indemnification under this section exceed Two Hundred Thirty Five Thousand Dollars (\$235,000). For avoidance of

doubt, Milliman's estimate as of July 6, 2017 was One Million, Six Hundred and Forty Thousand and Six Hundred and Twelve Dollars (\$1,640,612).

- iv. Except as otherwise provided in this Global Settlement Agreement, the ZHP/ZMI Released Parties (as defined in the Global Release attached as Exhibit F) shall not be liable for any further payment to or in support of ZHP's operations.
6. **Stipulated Order.** Concurrent with the signing of this Global Settlement Agreement, the Parties shall execute the Stipulated Consent Order attached hereto as Exhibit A, which shall be dated and effective upon Closing. For the avoidance of doubt, unless and until the Closing, the Order will have no effect.
7. **Release.** Concurrent with the signing of this Global Settlement Agreement, the Parties shall execute the Global Release attached hereto as Exhibit F, which shall be dated and effective upon Closing. For the avoidance of doubt, unless and until the Closing, the Global Release will have no effect.
8. **Dismissal of Lawsuit Against ZMI.** Payment of the Run-Off Capital is full and final settlement of all amounts due under the Surplus Note. The Receiver shall make any and all filings necessary for the Circuit Court of Marion County to dismiss the Surplus Note Action, with prejudice. Such filing(s) shall be made without unreasonable delay after the Closing, and in any case no later than five (5) business days after the Closing. Prior to Closing, the Parties will cooperate with one another to obtain the necessary extensions or stays so that neither Party will incur unnecessary legal expenses prosecuting or defending the Surplus Note Action.
9. **Filing Requirements.** DCBS agrees to waive any and all requirements for ZHP's owners and officers and for ZMI and its future, current or former owners, officers, employees, or affiliates (as such term is defined in ORS 732.548(1)) to make any filings or respond to any requests for information as otherwise required by the Insurance Code (ORS Chapter 731 through ORS Chapter 752) except as follows:
 - a. On or before the Closing, Dr. Sanders and Dr. DiPiero shall sign ZHP's first quarter 2017 financial statement and provide it to the Receiver for filing (the "Q1"). The Receiver and ZMI shall cause their staff to cooperate with Dr. Sanders and Dr. DiPiero to complete the Q1. Nothing in this Global Settlement Agreement requires Dr. Sanders or Dr. DiPiero to sign any representation other than in accordance with the NAIC standard form of jurat on the financial statement;
 - b. Related to ZHP's 2016 audited annual financial statement, on or before the Closing, Dr. Sanders shall provide DCBS with a signed statement representing (i) based on information available as of April 21, 2017 (the date of the Receivership Order), and to the best of his knowledge and belief, KPMG was provided with all material information necessary for the draft audit report of Zoom Health Plan, Inc.'s Statutory Financial Statement for the period ended December 31, 2016; and ii) he does not know of any material liabilities, encumbrances, or pending or threatened claims against ZHP as of April 21, 2017 that were not disclosed to KPMG or the Deputy Receiver or

reflected in the first quarter 2017 financial statement. ZMI shall provide DCBS with Dr. Sanders's signed letter and ZMI will not object to any request or subpoena issued by the Receiver or DCBS or other party on their behalf for the most recent draft audited annual statement completed by KPMG and all work papers and other materials developed by KPMG related thereto. DCBS shall provide ZMI with a copy of the statement, work papers and any or other documents received from KPMG. Nothing in this Global Settlement Agreement requires Dr. Sanders to ensure that a final audited annual statement is completed by KPMG or filed by ZHP;

- c. The personal financial statements of Dr. Sanders and Dr. DiPiero for calendar year 2017 shall be delivered to DCBS on or before April 30, 2018, and shall be reviewed by a certified public accountant (but will not be audited) consistent with the form of financial statement previously provided to DCBS by Dr. Sanders and Dr. DiPiero for 2015 and 2016. For avoidance of doubt, except as provided in this Agreement neither ZMI nor any future, current or former owners, officers, employees, or affiliates of ZMI or ZHP will be required to file financial statements (personal or otherwise) with DCBS; and
 - d. Except as otherwise provided in Section 9(c) above, additional information shall be provided to the Receiver as reasonably requested to allow the Receiver to prepare and file ZHP's 2017 holding company registration statement. The Receiver shall provide a timely request for such additional information not later than twenty-one (21) days prior to the due date of the statement. Notwithstanding the foregoing, DCBS and the Receiver agree that future investors in ZMI will not be considered part of the ZHP holding company system and will not be reported as such on any future ZHP filings with DCBS or NAIC.
10. **Distributions Upon Termination of Receivership.** Unless the Receiver determines that ZHP's funds are not sufficient for a successful runoff and files for liquidation, upon termination of ZHP's business and cancellation of ZHP's certificate of authority the Receiver shall apply for an order terminating the rehabilitation and shall distribute the remaining assets of ZHP to ZMI as payment and satisfaction in full of any remaining balance on the New Surplus Note and, thereafter, any other remaining surplus notes issued by ZHP. In the event that the remaining assets of ZHP are in excess of the outstanding principal balance and interest of all surplus notes issued by ZHP, they shall be distributed to the shareholders of ZHP in the form of a dividend.
11. **Binding Agreement.** This Global Settlement Agreement is binding on the Parties and their respective subsidiaries, affiliates, successors, legal representatives, and assigns and on any other persons claiming a right or interest through the Parties. All agreements and duties of the Receiver as stated hereunder shall also be binding upon the Deputy Receiver and any other party acting on the Receiver's behalf.
12. **No Admission.** This Global Settlement Agreement including its Exhibits constitutes a compromise of disputed claims between the Parties. Nothing herein or in the Exhibits is to be construed or used as evidence or any admission of liability or responsibility by any Party hereto or any waiver of any privilege. Nothing in this Global Settlement Agreement including its Exhibits, shall be admissible in any proceeding for any purpose, except a

proceeding by a Party hereto to enforce the terms of this Global Settlement Agreement and its Exhibits.

13. **Entire Agreement.** The Parties intend that this Global Settlement Agreement be complete and not be subject to any claim of mistake of fact or law. This Global Settlement Agreement, including all Exhibits, constitutes the full and complete integration of the Parties' agreements. The Global Settlement Outline dated July 12, 2017 between the Parties is of no further force and effect. There are no promises, statements, covenants, representations, or warranties, express or implied, oral or written, about the subject matter of this Global Settlement Agreement that are not contained in this Agreement.
14. **Construction.** The rule of construction that an agreement is to be construed against the drafting party is not to be applied in interpreting this Global Settlement Agreement. The Parties acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily, with opportunity to consult with legal counsel.
15. **Amendment.** This Global Settlement Agreement may only be modified if the modification is in writing and is signed by both Parties.

Choice of Law and Forum. This Global Settlement Agreement is made under and shall be construed and enforced in accordance with the laws of the State of Oregon without giving effect to its conflicts of law principles that would require or permit a court to consider the laws of any other state. All matters relating to the construction and performance of this Agreement shall be litigated only in the Marion County Circuit Court of the State of Oregon (and no other).

16. **Public Announcements.** On or before the date of Closing, each Party shall provide the other Party the press release announcing the signing of this Global Settlement Agreement at least 24 hours prior to issuance. No Party will have any approval rights with respect to this press release or any other press statement made by another Party. Either Party may release its press release and respond to inquiries from the press concerning the Global Settlement Agreement once the Global Settlement Agreement is filed with the Court pursuant to Section 2(b). The Parties agree that they may publicly release this Global Settlement Agreement and any of the exhibits ancillary hereto without redaction upon Closing.
17. **Notices.** Any communication or notice provided under this Global Settlement Agreement shall be effected in writing sent by email and First Class United States mail to the persons and at the addresses as set forth below:

To ZMI, Dr. DiPiero, MD, or Dr. Sanders:

Zoom Management, Inc.
c/o Dr. David Sanders dsanders@zoomcare.com and
c/o Dr. Albert DiPiero adipiero@zoomcare.com
1455 NW Irving Street, Suite 600
Portland, OR 97209

With copy to:

Kelly Knivila (kelly.knivila@stoel.com)
Stoel Rives LLP
760 Ninth Avenue, Suite 3000,
Portland, Oregon 97205
Telephone:(503) 294-9557
Facsimile: (503) 220-2480

To DCBS, ZHP or the Receiver

Jean M. Straight, Acting Director (Jean.M.Straight@oregon.gov)
Department of Consumer and Business Services
350 Winter St NE, 2nd floor,
Salem, OR 97301

With copies to:

Theodore C. Falk (theodore.falk@doj.state.or.us)
Oregon Department of Justice
1162 Court St. NE, Salem, OR 97301-4096
Phone: 503-947-4430


Wayne Johnson, Deputy Receiver (wayne.johnson@riskreg.com)
Risk & Regulatory Consulting, LLC
2501 SW First Ave., Suite 100
Portland, OR 97201
Phone: 850.363.4853

Any Party may designate a different mailing address or a different person for all future notices by notice given in accordance with this Section.

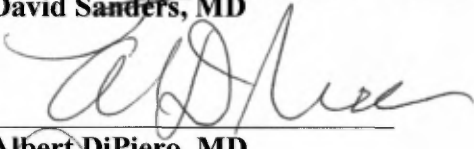
18. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one agreement, binding on both the Parties.

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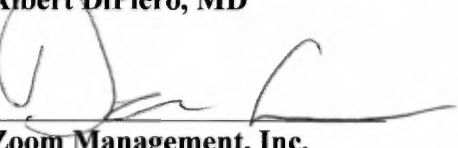
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.




David Sanders, MD



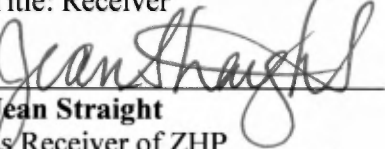
Albert DiPiero, MD



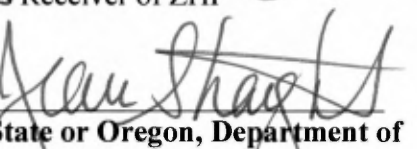
Zoom Management, Inc.
By: David Sanders, MD
Title: Chief Executive Officer



Zoom Health Plan, Inc.
By: Jean Straight
Title: Receiver



Jean Straight
as Receiver of ZHP



**State of Oregon, Department of
Consumer and Business Services**
By: Jean Straight
Title: Acting Director

Exhibits to Global Settlement Agreement

A	Stipulated Consent Order
B	Stipulated Order re Production of Documents and Stipulated Protective Order
C	Termination of Administrative Support Agreement
D	Technical Support Agreement
E	Pro Forma and Statement of Anticipated Administrative Expenses
F	Global Release
G	New Surplus Note Form

Exhibit A
Stipulated Consent Order

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

ZOOM HEALTH PLAN, INC., ZOOM
MANAGEMENT, INC., DR. DAVID
SANDERS AND DR. ALBERT DIPIERO

Respondents.

Case No. INS-16-0312

ORDER TO CEASE AND DESIST,
FINAL ORDER IMPOSING CIVIL
PENALTIES AND CONSENT TO
ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”) chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 (“Insurance Code”), has conducted an investigation into the insurance related activities of Zoom Health Plan, Inc., Zoom Management, Inc., Dr. David Sanders and Dr. Albert DiPiero (collectively “Respondents”).

Respondents wish to resolve and settle this matter with the Director by consenting to entry of this Order.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondents hereby CONSENT to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Zoom Health Plan, Inc. (“ZHP”) is licensed in the State of Oregon as a domestic insurer with its principal place of business at 1455 NW Irving Street, Portland, Oregon 97209. On August 4, 2014, the Director issued to ZHP a Certificate of Authority to transact insurance in Oregon.

Filing Accounting Statements

2. ZHP filed an annual statement as of December 31, 2016 that recorded Capital & Surplus of \$2,873,168, which included a new surplus note issued December 30, 2016 in the

amount of \$3,000,000 (“December Surplus Note”). Note 13.11 indicated that the note had been issued for cash.¹

3. ZHP never received the funds for the December Surplus Note. As a result, this is a Type II non-recognized subsequent event pursuant to SSAP 9, paragraph 8, and therefore the December Surplus Note should not have been included as assets or Capital & Surplus of the company.

4. As of the date of this order, ZHP and Zoom Management, Inc. (“ZMI”) have not executed the note using the approved form sent by the Division. As of the date the annual statement was filed, the funds for the \$3,000,000 note had not been received. As of the date of this Order, the note has been extinguished by an accord and satisfaction.

Holding Company Registration Statements

5. ZHP filed its Holding Company Registration Statement (“Form B”) for 2015 on or before April 30, 2016.

6. According to the 2015 Form B, ZHP is owned by Dr. David Sanders (40%), Dr. Albert DiPiero (40%), and Endeavor Capital (20%). According to the 2015 Form B, ZMI is owned by Dr. David Sanders (27.1%), Dr. Albert DiPiero (27.1%), Endeavor Capital (38.2%), and by other parties (7.5%).

7. In the December 31, 2015 Holding Company Registration Filing, received on or before the April 30, 2016 filing due date, ZHP did not include the audited financial statements of ZMI, or the CPA-reviewed financial statements of Dr. Sanders or Dr. DiPiero. ZMI, Dr.

¹ SSAP 41 allows for insurance companies to issue debt type instruments, called surplus notes, that are considered to be equity (capital & surplus) investments, if certain terms are in place within the language of the note. SSAP 72, paragraph 4, allows for a surplus note to be issued, requested and approved after the actual statement date, but prior to the statement filing date, and recorded as a Type I Subsequent Event under SSAP 9, so long as the assets/funds for payment of the note issued are received and in the physical custody of the insurer at the time that the annual financial statement is filed with the Division.

DiPiero and Dr. Sanders either filed late or failed to file CPA reviewed statements on five separate occasions.

Responses to the Director

8. In 2017, ZHP either filed a late report or failed to respond to a direct request of the Director on four separate occasions.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

Cease and Desist

9. Pursuant to ORS 731.252(1), whenever the Director has reason to believe that any person has been engaged or is engaging or is about to engage in any violation of the Insurance Code, the Director may issue an order to discontinue or desist from such violation or threatened violation.

Statements not in Compliance with Statutory Accounting Principles

10. Pursuant to 750.055(1)(a), 731.574, 733.210, OAR 836-011-0000 and Bulletin 2007-5, ZHP was required to file an annual financial statement for December 31, 2016, post marked by March 1, 2017, using the format of the National Association of Insurance Commissioners' (NAIC) Annual Statement Instructions and Blank, and following the prescribed accounting methodologies of the NAIC's Accounting Practice & Procedure Manual (AP&P).

11. The December 31, 2016 annual statutory statement filed for ZHP, which included the \$3,000,000 surplus note, did not comply with SSAP 72, 9, 41 and 4 and was filed in violation of ORS 733.210, ORS 731.574, ORS 750.045, OAR 836-011-0000 and Bulletin 2007-5.

Filing Noncompliant Holding Company Registration Statements

12. Pursuant to ORS 732.548 to 732.592 and OAR 836-027-0001 to 836-027-0180, ZHP was required to file its annual registration statement, Form B, on or before April 30th of the following year outlining details of the Holding Company System. The Form B is to include the

audited financial statements for any controlling company and CPA-reviewed statements for any controlling individuals.

13. Pursuant to ORS 731.296, 731.300, 731.304 and 732.584, ZHP was required to produce ZHP's Form B, specifically ZMI's audited financial statement for 2015, not later than February 15, 2017.

14. Pursuant to ORS 732.551, 732.552, 732.556 and OAR 836-027-0001 to 836-027-0180, Dr. Sanders' CPA-reviewed financial statement for 2015 was required to be filed on or before April 30, 2016.

15. Pursuant to ORS 732.551, 732.552, 732.556 and OAR 836-027-0001 to 836-027-0180, Dr. DiPiero's CPA-reviewed financial statement for 2015 was required to be filed on or before April 30, 2016.

Failures to Timely File or Timely Respond to the Director

16. Pursuant to ORS 731.574, OAR 836-011-0000 and 836-031-0630 to 836-031-0690, the Actuarial Opinion was required to be filed on or before March 1, 2017.

17. Pursuant to ORS 731.574, OAR 836-011-0000 and OAR 836-011-0500 to 836-011-0600, ZHP was required to file the Annual Statement - Risk Based Capital Report - Electronically with NAIC on or before March 1, 2017.

18. Pursuant to ORS 731.488, 731.574, OAR 836-011-0000 and OAR 836-011-0120, ZHP's 2016 Annual Audited Financial Statement was required to be file on or before June 1, 2017.

19. Pursuant to ORS 732.574, OAR 836-027-0160 to OAR 836-027-0180 and OAR 836-011-0440 to 836-011-0450, prior approval is required for any material transaction.

Civil Penalties

20. Pursuant to ORS 731.988(1), the Director may assess CIVIL PENALTIES against a person who violates any provision of the Insurance Code or any lawful rule of the Director.

ORDERS

The Director issues the following ORDERS:

21. As authorized by ORS 731.252(1), the Director ORDERS Respondents to CEASE AND DESIST from violating any provision of the Insurance Code or the administrative rules promulgated thereunder.

22. Based upon the foregoing and as authorized by ORS 731.988(1), the Director ORDERS that ZMI pay a CIVIL PENALTY on behalf of itself and ZHP of \$150,000 as follows:

A. \$7,500 per violation for including the December Surplus Note with ZHP's annual statement in violation of ORS 731.574, ORS 750.045 and OAR 836-011-0000 as described in Paragraph 11 for a total CIVIL PENALTY of \$22,500.

B. \$7,500 per violation for not providing ZMI's 2015 audited financial statement on or before February 15, 2017 in violation of ORS 731.296, ORS 731.300 and ORS 732.584 as described in Paragraph 13 for a total CIVIL PENALTY of \$22,500.

C. \$7,500 per violation for not filing the Actuarial Opinion on or before March 1, 2017 in violation of ORS 731.574, OAR 836-011-0000, OAR 836-031-0640 and OAR 836-031-0670 as described in Paragraph 16 for a total CIVIL PENALTY of \$30,000.

D. \$7,500 per violation for not filing the Annual Statement – Risk Based Capital Report – Electronically with NAIC on or before March 1, 2017 in violation of ORS 731.574, OAR 836-011-0000 and OAR 836-011-0510 as described in Paragraph 17 for a total CIVIL PENALTY of \$22,500.

E. \$7,500 per violation for not filing the Annual Audited Financial Statement on or before June 1, 2017 in violation of ORS 731.488, ORS 731.574, OAR 836-011-0000 and OAR 836-011-0120 as described in Paragraph 18 for a total CIVIL PENALTY of \$30,000.

F. \$7,500 per violation for not obtaining prior approval for a material transaction in

violation of OAR 836-027-0160, OAR 836-027-0180 and OAR 836-011-0440 as described in Paragraph 19 for a total CIVIL PENALTY of \$22,500.

23. Based upon the foregoing and as authorized by ORS 731.988(1), the Director ORDERS that Dr. Sanders pay a CIVIL PENALTY of \$1,000 per day for the first 100 days after April 30, 2016 that the CPA-reviewed financial statement of Dr. Sanders were not included with the December 31, 2015 Holding Company Registration Filing of in violation of ORS 732.552(2) as described in Paragraph 14 for a total CIVIL PENALTY of \$100,000.

24. Based upon the foregoing and as authorized by ORS 731.988(1), the Director ORDERS that Dr. Albert DiPiero pay a CIVIL PENALTY of \$1,000 per day for the first 35 days after April 30, 2016 that the CPA-reviewed financial statement of DiPiero were not included with the December 31, 2015 Holding Company Registration Filing of in violation of ORS 732.552(2) as described in Paragraph 15 for a total CIVIL PENALTY of \$35,000.

25. The CIVIL PENALTIES assessed above are due and payable at the time this Consent Order is returned to the Division.

SO ORDERED this _____ day of _____, 2017.

JEAN STRAIGHT, Acting Director
Department of Consumer and Business Services

CONSENT TO ENTRY OF ORDER

I, _____, state that I am the Receiver of Zoom Health Plan, Inc. and I am authorized to act on its behalf. I have read the foregoing Consent Order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. Zoom Health Plan, Inc. voluntarily and without any force or duress consents to the entry of this Consent Order expressly waiving any right to a hearing in this matter. Zoom Health Plan, Inc. understands that the Director reserves the right to take further actions to enforce this Consent Order. Zoom Health Plan, Inc. will fully comply with the terms and conditions stated herein.

Zoom Health Plan, Inc. understands that this Consent Order is a public document.

Signature

Printed name

Office held

ACKNOWLEDGMENT

There appeared before me this _____ day of _____, 20____,
_____, who was first duly sworn on oath, and stated that she/he
was and is the Receiver of Zoom Health Plan, Inc. and that she/he is authorized and empowered
to sign this Consent to Entry of Order on behalf of Zoom Health Plan, Inc. and to bind Zoom
Health Plan, Inc. to the terms hereof.

Signature of Notary Public

CONSENT TO ENTRY OF ORDER

I, _____, state that I am an officer of Zoom Management, Inc. and I am authorized to act on its behalf. I have read the foregoing Consent Order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. Zoom Management, Inc. voluntarily and without any force or duress consents to the entry of this Consent Order expressly waiving any right to a hearing in this matter. Zoom Management, Inc. understands that the Director reserves the right to take further actions to enforce this Consent Order. Zoom Management, Inc. will fully comply with the terms and conditions stated herein.

Zoom Management, Inc. understands that this Consent Order is a public document.

Signature

Printed name

Office held

ACKNOWLEDGMENT

There appeared before me this _____ day of _____, 20____, _____, who was first duly sworn on oath, and stated that she/he was and is an officer of Zoom Management, Inc. and that she/he is authorized and empowered to sign this Consent to Entry of Order on behalf of Zoom Management, Inc. and to bind Zoom Management, Inc. to the terms hereof.

Signature of Notary Public

CONSENT TO ENTRY OF ORDER

I, Dr. Dave Sanders, state that I have read the foregoing Consent Order and that I know and fully understand the contents hereof; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Consent Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Consent Order; that I understand that the Director reserves the right to take further actions against me to enforce this Consent Order; and that I will fully comply with the terms and conditions stated herein.

I understand that this Consent Order is a public document.

Signature of David Sanders

Printed name

Office held

State of
County of

Signed or attested before me this ___ day of _____, 2017
by Dr. Dave Sanders.

Notary Public

CONSENT TO ENTRY OF ORDER

I, Dr. Albert DiPiero, state that I have read the foregoing Consent Order and that I know and fully understand the contents hereof; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Consent Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Consent Order; that I understand that the Director reserves the right to take further actions against me to enforce this Consent Order; and that I will fully comply with the terms and conditions stated herein.

I understand that this Consent Order is a public document.

Signature of Albert DiPiero

Printed name

Office held

State of
County of

Signed or attested before me on this ___ day of _____, 2017
by Dr. Albert DiPiero.

Notary Public

Exhibit B

Stipulated Order re: Production of Documents and Stipulated Protective Order

1 IN THE CIRCUIT COURT OF THE STATE OF OREGON
2 FOR THE COUNTY OF MARION

3 STATE OF OREGON, Acting by and through
4 Patrick Allen, Director of the Oregon
5 Department of Consumer and Business Services,

6 Plaintiff,

7 v.

8 ZOOM HEALTH PLAN, INC, an Oregon
 corporation,

9 Defendant.

Case No. 17CV16695

STIPULATED ORDER RE: PRODUCTION
OF DOCUMENTS AND STIPULATED
PROTECTIVE ORDER

10
11 This matter came before the Court based on the stipulation of Plaintiff (the “Receiver”),
12 as the receiver for Zoom Health Plan Inc. (“ZHP”), and Zoom Management Inc. (“ZMI”). By
13 the signatures of their attorneys below, the Receiver and ZMI stipulate to the Court entering this
14 Order to govern the production of ZHP records and documents still in the custody or control of
15 ZMI. ZMI stipulates to the Court’s jurisdiction over it for purposes of entry of this order and the
16 production of ZHP records, which are property of the Receivership per ORS 734.210(1), ORS
17 734.220(2) (a) and the Stipulated Order Appointing Receiver. ZMI and the Receiver further
18 represent that this Order resolves all outstanding issues presented by the Receiver’s Motion to
19 Compel Production of Records By Zoom Management, Inc. filed on July 5, 2017. Now,
20 therefore,
21

22 IT IS HEREBY ORDERED that:
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1 1. ZMI shall produce to the Deputy Receiver documents and records of ZHP in the
2 manner specified by the Zoom Health Plan Records Protocol, which is attached to this Order as
3 Appendix 1 and incorporated by reference.

4 2. The Court shall retain jurisdiction over this matter to resolve any disputes related
5 to production of ZHP records under the protocol.

6 3. The Receiver's Motion to Compel is denied as moot.
7
8
9

10 _____
11 **IT IS SO STIPULATED:**

12
13 DATED: _____, 2017.

14 OREGON DEPARTMENT OF JUSTICE

15
16 _____
17 Carolyn G. Wade, OSB No. 832120
18 Daniel J. Rice, OSB No. 084536
19 Of Attorneys for Receiver

20 DATED: October 6, 2017.

21 STOEL RIVES LLP

22 _____
23 JOEL A. MULLIN, OSB No. 862533
24 joel.mullin@stoel.com
25 REILLEY D KEATING, OSB No. 073762
26 reilley.keating@stoel.com
Of Attorneys for Zoom Management Inc.

1 Submitted By:
2 Daniel J. Rice, OSB #084536
3 Assistant Attorney General
4 Oregon Department of Justice
5 1162 Court Street NE
6 Salem, OR 97301-4096
7 Telephone: (503) 934-4400
8 Fax: (503) 373-7067
9 Email: daniel.rice@doj.state.or.us
10 Attorney for Receiver

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1 **Appendix 1**

2 **Zoom Health Plan Records Protocol**

3 1. The Deputy Receiver may request ZHP documents, and ZMI shall furnish ZHP
4 documents to the Deputy Receiver, pursuant to the protocol set forth below.

5 **A. Creation of Database**

6
7 2. With respect to the requested documents, Exhibit A lists custodians of ZHP
8 information, each of whom ZMI represents is a current or former employee or email user with
9 information in ZMI's custody or control.

10 3. ZMI shall make complete copies of the email and user created files within ZMI's
11 custody of each individual identified on Exhibit A, from July 1, 2014 through May 18, 2017.
12 ZMI shall maintain those copies with its counsel, currently Stoel Rives, at ZMI's expense. ZMI
13 shall cause its counsel to store the complete copies in searchable format in a Relativity discovery
14 database, or the equivalent (the "Database"), intact and preserved subject to litigation hold
15 obligations. Once the complete Database is created and the emails and documents have been
16 processed and de-duplicated, ZMI shall cause its counsel to make the Database actively available
17 for Deputy Receiver search requests through June 30, 2018 on seven days' notice, unless a
18 reasonable extension is requested, and to make it available for Deputy Receiver to search
19 requests from an archive upon 21 days' advance notice through the end of the receivership.

20 4. In the event Stoel Rives ceases to serve as counsel to ZMI or is otherwise unable or
21 unwilling to create, maintain, and search the Database pursuant to this Records Protocol, then
22 ZMI shall identify new legal counsel who is able and willing to carry out the provisions of this
23 Records Protocol.

24 **B. Production of Documents from Database**

1 5. In the exercise of her responsibilities pursuant to the Stipulated Order Appointing
2 Receiver, the Deputy Receiver may request searches of the Database. In requesting a search, the
3 Deputy Receiver shall provide ZMI with search parameters including the following:

- 4 i. Specific custodians to be searched
- 5 ii. Beginning and end dates for searches
- 6 iii. Keyword search terms reasonably likely to locate documents that are
7 necessary for the Deputy Receiver to carry out the purposes of the
8 Receivership Order.

9 6. If after running the search, ZMI determines that the search provided by the Deputy
10 Receiver may have been overly broad so as to capture a burdensome number of documents, ZMI
11 may, within five business days of receipt of the Deputy Receiver's search terms, provide the
12 Deputy Receiver with a "hit" count of the number of documents retrieved by the search
13 parameters and other information ZMI deems useful to the Deputy Receiver in reassessing the
14 search terms. Based on that information, the parties shall discuss in good faith whether the
15 search term list needs to be refined and attempt to agree upon such modifications within three
16 business days after the Deputy Receiver's receipt of the "hit" count. If ZMI and the Deputy
17 Receiver do not agree upon a search term list, then the Deputy Receiver's list controls, subject to
18 ZMI's right to seek court review under paragraph 16. If ZMI intends to seek review, it shall
19 provide notice to the Deputy Receiver and will file a motion with the court no later than 10
20 calendar days after the date either party (after engaging in good faith discussions) provides notice
21 to the other party that they have reached an impasse.

22 7. Unless ZMI has notified the Deputy Receiver that its search is overly broad pursuant
23 to Section 6 of this Stipulated Order, ZMI shall provide the responsive documents to the Deputy
24 Receiver within seven business days of receipt of the search request, but if additional time is
25 required, ZMI may request that the Deputy Receiver consent to a reasonable amount of
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1 additional time, and such consent may not unreasonably be withheld. In the event that ZMI
2 identifies records that (a) are attorney-client privileged and where the client is a Zoom affiliate
3 other than ZHP or (b) are not records belonging to ZHP, ZMI may redact or refuse to provide
4 such records to the Deputy Receiver. ZMI may not redact or refuse to provide to the Deputy
5 Receiver any records of ZHP.

6 8. ZMI shall provide the documents to the Deputy Receiver in a Relativity load file
7 format with linked native files and shall include the metadata fields set forth in Exhibit B.

8 **C. Privileged or Confidential Documents**

9 9. If ZMI withholds from production or redacts any documents on the grounds of
10 privilege, work product immunity, a claim that the documents are proprietary or confidential
11 nature, contain personal health information, or are otherwise protected from disclosure pursuant
12 to this Stipulated Order, ZMI shall supply the Deputy Receiver with a log identifying each
13 document being withheld and the basis for the withholding. For emails, the log will identify the
14 sender, recipient, subject line, and date and time of sending or receiving. ZMI may not redact or
15 withhold any records of ZHP.

16 10. If the Deputy Receiver challenges the redacting or withholding, and if the parties
17 cannot reach agreement, ZMI shall submit the challenged documents to the Court for *in camera*
18 inspection and determination as to the propriety of the withholding.

19 **D. Inadvertently Produced Documents**

20 11. ZMI's inadvertent production of information protected by the attorney-client
21 privilege, the work product doctrine, or any other applicable privilege, or any other proprietary
22 or confidential information, shall not constitute a waiver of privilege or claim of confidentiality
23 as to the document, information, or subject-matter thereof. If, at any time, ZMI discovers that it
24 produced information that it reasonably believes to be privileged or confidential, then it may
25 notify the Deputy Receiver of the claim for protection and the basis for it. ZMI, when possible,
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1 will re-produce the documents with the confidential information or information subject to the
2 claimed privilege redacted.

3 12. Upon receipt of ZMI's claim of privilege or confidentiality with respect to any
4 produced documents, the Deputy Receiver shall make a good faith attempt to immediately
5 segregate the documents in a manner that will prevent further disclosure or dissemination of their
6 contents. Absent resolution of any dispute as to the claim of privilege or confidentiality, the
7 Deputy Receiver shall not use any information from or the privileged documents for any
8 purpose.

9 13. In the event there is a dispute over whether the documents at issue are protected from
10 disclosure by attorney-client privilege, work product doctrine or other privilege, or whether the
11 documents are proprietary or confidential, the Deputy Receiver shall segregate and destroy such
12 documents identified by ZMI within 10 calendar days of receipt of notice, but may retain one
13 copy of any such documents solely for the purpose of meeting and conferring with ZMI over the
14 claim of privilege or confidentiality. If the dispute is not resolved within 20 calendar days, the
15 Receiver may present the information to the Court under seal for a determination of the claim, or
16 may destroy the documents and make no further use of the information in the documents. Any
17 documents in dispute shall remain segregated and protected against further disclosure and use
18 during the pendency of any dispute over its status.

19 **E. Nature of Documents Produced and Stipulated Protective Order**

20 14. The parties agree that the documents being requested and produced pursuant to this
21 protocol are ZHP's records in ZMI's possession, custody or control, and are being produced to
22 ZHP through the Deputy Receiver, who is acting on ZHP's behalf.

23 15. The parties further agree that the documents being requested along with business
24 records of ZHP previously provided to the Deputy Receiver pursuant to the Receivership Order
25 ("ZHP Records") contain confidential business and trade secret information of ZHP, ZMI, and

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1 other affiliated entities. As such, the parties hereby stipulate that all documents and information
2 described herein and produced by ZMI to the Deputy Receiver, whether formally or informally,
3 are governed by the following:

4 1. All documents designated as “CONFIDENTIAL” in accordance with this
5 Stipulated Protective Order shall be maintained on computers owned by ZHP
6 under the control of the Deputy Receiver and her staff who are not state
7 employees pursuant to ORS 734.230.

8 2. For purposes of this Stipulated Protective Order, the following categories of
9 documents are deemed confidential, and are referred to herein as
10 “CONFIDENTIAL”:

- 11 i. All non-public business and financial documents of ZHP, ZMI, or an
12 affiliate of ZHP or ZMI;
- 13 ii. All protected health information (within the meaning of the Health
14 Insurance Portability and Accountability Act); and
- 15 iii. Any other document designated, in good faith, as “CONFIDENTIAL” by
16 ZMI. To the extent that the Receiver disputes the designation of a
17 document as “CONFIDENTIAL,” he shall so inform ZMI in writing.
18 ZMI shall then have seven business days to apply to this Court for a
19 determination as to whether the designation is appropriate. In the event
20 that ZMI fails to apply to the Court within seven business days or this
21 Court determines that the document is not CONFIDENTIAL, the
22 document shall be deemed not to be CONFIDENTIAL. Documents
23 already produced by ZMI to the Deputy Receiver may be designated as
24 “CONFIDENTIAL” by delivering a written request to the Deputy
25 Receiver identifying the document by bate stamp, or other sufficient
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1 description and requesting the document be covered by the terms of this
2 Stipulated Protective Order

3 16. Nothing in this Order shall preclude DCBS or ZMI from asserting that records that
4 are provided to the Receiver are not public records or are subject to an exception to the Public
5 Records Law. If, at any time, the Receiver receives a request pursuant to the Oregon Public
6 Records Law, ORS 192.410 et seq., and the Receiver determines that ZHP records produced
7 pursuant to this protocol may be subject to disclosure, the Receiver shall give prompt written
8 notice to ZMI of the request and wait at least seven business days after the notice before
9 disclosing any such documents or information, unless sooner required by statute, court order or
10 an order of the Attorney General issued in response to a petition for review pursuant to ORS
11 192.450. If ZMI files a motion for a protective order, then the Receiver will await a ruling on
12 that motion before producing the responsive documents or information, unless otherwise ordered
13 by a court or DOJ or required by law to provide the documents.

14 **F. Resolution of Disputes**

15 17. Unless specified otherwise in this protocol, if the parties are unable to reach
16 agreement on any of the items discussed above, either party may present the issue to the Court
17 for resolution.

Exhibit A

Custodians

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- Adriana Daoust
- Melissa Locke
- Taylor Miller
- Daniel Curtis
- Paul Brown
- Lee Caufield
- Albert DiPiero
- Tara Krier
- Kathy McAleer
- Melissa Mott-Orozco
- David Sanders
- Lauren Wallace
- Denise Honzel
- Debra Casterline
- John Christiansen
- Marty Barrack

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Exhibit B

Metadata Fields

Field	Description
BEGDOC	Beginning Review Document Number
ENDDOC	Ending Review Document Number
BEGATTCH	Beginning Review Attachment Range
ENDATTCH	Ending Review Attachment Range
DOCTITLE	First non-blank: Email Subject; Office Doc Title; FileName.
PARENTDATE	Parent Doc Date and Time - MM/DD/YYYY hh:mm AM/PM (both date and time). DocDate of document or if attachment that of its parent.
DOCDATE	First non-blank: DateSent, DateReceived, DateModified, DateCreated. MM/DD/YYYY hh:mm AM/PM Format (both date and time).
DATECREATED	MM/DD/YYYY hh:mm AM/PM Format (both date and time).
DATEMODIFIED	MM/DD/YYYY hh:mm AM/PM Format (both date and time).
DATESENT	MM/DD/YYYY hh:mm AM/PM Format (both date and time).
DATERECEIVED	MM/DD/YYYY hh:mm AM/PM Format (both date and time).
DATELASTPRINTED	MM/DD/YYYY hh:mm AM/PM Format (both date and time).
DOCTYPE	MIME Type
AUTHOR	Document or Email Author
RECIP	Document or Email Recipient
COPIED	Document or Email Copied
BCC	Email BCC
CUSTODIAN	Document Custodian (collected custodian)
FILENAME	Collected file name
FILEEXT	Collected file extension
MD5HASH	Document MD5 Hash code
NATIVELINK	Link to native file when native is provided
TEXTLINK	Link to extracted text or OCR text file.

1 **CERTIFICATE OF READINESS**

2 This proposed order is ready for judicial signature because:

3 1. [] Each opposing party affected by this order or judgment has stipulated to the order
4 or judgment, as shown by each opposing party's signature on the document being
submitted.

5 2. [X] Each opposing party affected by this order or judgment has approved the order or
6 judgment, as shown by signature on the document being submitted or by written
confirmation of approval sent to me.

7 3. [] I have served a copy of this order or judgment on all parties entitled to service and
8 provided written notice of the objection period, and:

9 a. [] No objection has been served on me as of the date below.

10 b. [] I received objections that I could not resolve with the opposing party
11 despite reasonable efforts to do so. I have filed with the court a copy of the
objections I received and indicated which objections remain unresolved.

12 c. [] After conferring about objections, *[role and name of opposing party]*
13 agreed to file any remaining objection with the court by *[date]*, which
predated my submission.

14 4. [] The relief sought is against an opposing party who has been found in default.

15 5. [] An order of default is being requested with this proposed judgment.

16 6. [] Service is not required pursuant to UTCR 5.100(3), or by statute, rule, or
otherwise.

17 7. [] This is a proposed judgment that includes an award of punitive damages and
18 notice has been served on the Director of the Crime Victims' Assistance Section
as required by UTCR 5.100(4).

19
20 Dated: _____

21 Daniel J. Rice, OSB #084536
22 Assistant Attorney General
23
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25
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Exhibit C

Termination of Administrative Services Agreement

TERMINATION OF ADMINISTRATIVE SERVICES AGREEMENT

This termination agreement (the "Termination Agreement"), dated as of October 6, 2017 (the "Termination Date"), between Zoom Health Plan, Inc. ("ZHP"), and Zoom Management, Inc. ("ZMI"), and together with ZHP, the "Parties", and each, a "Party").

WHEREAS, in 2014 the Parties entered into that certain Administrative Services Agreement attached hereto (the "Agreement") pursuant to which ZMI provides all business management, information management, administration, equipment and supplies necessary for the day-to-day administration of ZHP; and

WHEREAS, the Parties hereto desire to terminate the Agreement on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Termination of the Agreement. The Parties mutually agree that the Agreement (inclusive of the Exhibits attached thereto) is hereby terminated as of the Termination Date. The Parties agree that no transition services will be provided or are due pursuant to Section 10(e) of the Agreement. Notwithstanding Section 10(f)(i) of the Agreement, from and after the Termination Date, the Agreement will be of no further force or effect, and the rights and obligations of each of the Parties thereunder, including any and all terms that otherwise would survive termination, shall terminate.

2. Mutual Release. Each Party, on behalf of itself and its respective current and former parents, affiliates, employees, officers, directors, shareholders, successors, and assigns (collectively, "Releasers") hereby releases, waives, and forever discharges the other Party and its respective current and former, parents, affiliates, employees, officers, directors, shareholders, successors, and assigns (collectively, "Releasees") of and from any and all claims, causes of action, indemnification obligations, liabilities, costs, and damages, of every kind and nature whatsoever, whether now known or unknown, foreseen or unforeseen, in law or equity, which any of such Releasers ever had, now have, or hereafter may have against any of such Releasees arising out of or relating to the Agreement.

3. Retention of Records and Business Associate Agreement. Notwithstanding Section 10(f)(ii), the Parties acknowledge and agree that it is not feasible ZMI or ZHP to return or destroy the ZHP Confidential Information or ZMI Confidential Information (as such terms are defined in the Agreement, and collectively the "Confidential Information"), respectively. Each Party may retain the Confidential Information of the other Party. Each Party shall protect and safeguard the confidentiality of the Confidential Information with at least the same degree of care as such Party would protect its own Confidential Information. The Parties agree that, simultaneous with the signing of this Termination Agreement, the Parties will execute a Business Associate Agreement governing the use and disclosure of any Protected Health Information (as such term is defined in 45 C.F.R. § 160.103) of ZHP retained by ZMI.

4. Representations and Warranties. Each Party hereby represents and warrants to the other Party that It has the full right, and power and authority to enter into this Termination Agreement and to perform its obligations hereunder.

5. Entire Agreement. This Termination Agreement constitutes the sole and entire agreement between the Parties with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

IN WITNESS WHEREOF, the Parties have executed this Termination Agreement as of the Termination Date.

Zoom Management, Inc.

By _____
Name: David Sanders, MD
Title: Chief Executive Officers

Zoom Health Plan, Inc.

By _____
Name: Jean Straight
Title: Receiver

Exhibit D
Technical Support Agreement

TECHNICAL SUPPORT AGREEMENT

This Services Agreement (this “Agreement”), dated as of October 6, 2017 (the “Effective Date”), is by and between Zoom Health Plan, Inc. (“ZHP”) and Zoom Management, Inc. (“ZMI”) and together with ZHP, the “Parties”, and each a “Party”).

WHEREAS, ZMI desires to provide certain technical and information technology services to ZHP (the “Services”); and

WHEREAS, ZHP desires to retain ZMI to provide the Services.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ZMI and ZHP agree as follows:

1. Services. ZMI agrees provide to ZHP those services (the “Services”) set out in one or more agreed statements of work in the form attached hereto as Attachment A (each, a “Statement of Work”). Additional Statements of Work shall be deemed issued and accepted only if signed by ZMI and ZHP. As an initial matter, the Parties agree that ZMI will perform the Statement of Work set forth on Attachment A-1 with charge.

2. ZMI Obligations. ZMI shall:

2.1 Maintain complete and accurate records relating to the provision of the Services under this Agreement, including records of the time spent and materials used by ZMI in providing the Services.

2.2 Execute and abide by the terms and conditions of that certain Business Associate Agreement, attached hereto as Attachment A. Any conflict between this Agreement (inclusive of any Statement of Work) and the Business Associate Agreement shall be resolved in favor of the Business Associate Agreement.

3. ZHP Obligations. ZHP shall:

3.1 Cooperate with ZMI in its performance of the Services and provide access to ZHP’s employees, contractors, and equipment as required to enable ZMI to provide the Services.

3.2 Pay all fees due and payable under this Agreement.

4. Fees and Expenses.

4.1 Except as otherwise state on the Statement of Work, in consideration of the provision of the Services by ZMI and the rights granted to ZHP under this Agreement, ZHP shall pay ZMI at an hourly rate of one hundred and five dollars (\$105) per hour, rounded to the nearest quarter of an hour. Said fee will be payable either, (a) ten (10) days of receipt by ZHP of an invoice from ZMI pursuant to the applicable Statement of Work, or (b) if provided in the Statement of Work, in advance based on the mutually agreed estimate of the number of hours necessary to provide the Services under the Statement of Work. If fees are

paid in advance, ZMI will refund any unearned fee, or ZHP will pay any balance owed, within ten (10) days of the receipt of the invoice or completion of the Statement of Work, as applicable.

4.2 ZHP shall reimburse ZMI for all reasonable costs incurred in accordance with a Statement of Work. Such reimbursement will be due at the time of any fees pursuant to such Statement of Work.

4.3 All late payments shall bear interest at the lesser of the rate of five percent (5%) per month, calculated daily and compounded monthly. In addition to all other remedies available under this Agreement or at law (which ZMI does not waive by the exercise of any rights hereunder), ZMI shall be entitled to suspend the provision of any Services if ZHP fails to pay any fees due hereunder.

5. Term, Termination and Survival.

5.1 This Agreement shall commence as of the Effective Date and shall continue for a period of one (1) year.

5.2 Either Party may terminate this Agreement upon thirty (30) days' notice or upon the occurrence of a default. A default has occurred if the other Party:

(a) Materially breaches this Agreement, and the breaching party does not cure such breach within ten (10) days after receipt of written notice of such breach.

(b) Is dissolved or liquidated or takes any corporate action for such purpose.

6. Scope of Work. The Parties acknowledge and agree that the provision of Services under this Agreement and under any Statement of Work is subject to the availability, capacity, and technical expertise of ZMI and its staff. ZMI reserves the right to decline to provide any particular Service if ZMI reasonably believes it cannot provide such service in accordance with the requested specifications, within the time frame requested by ZHP, or without significant disruption to ZMI's operations.

7. Limitation of Liability.

7.1 IN NO EVENT SHALL ZMI BE LIABLE TO ZHP OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE, OR PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT ZMI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

7.2 IN NO EVENT SHALL ZMI'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE AGGREGATE AMOUNTS PAID OR PAYABLE TO ZMI PURSUANT TO THIS AGREEMENT.

8. Entire Agreement. This Agreement, including and together with any related Statements of Work and exhibits constitutes the entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, regarding such subject matter.

9. Assignment. ZHP shall not assign, transfer, delegate or subcontract any of its rights or delegate any of its obligations under this Agreement without the prior written consent of ZMI. Any purported assignment of this Agreement without ZMI's consent is null and void.

10. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date by their respective duly authorized officers.

Zoom Management, Inc.

By _____
Name: David Sanders, MD
Title: Chief Executive Officers

Zoom Health Plan, Inc.

By _____
Name: Jean Straight
Title: Receiver

ATTACHMENT A

FORM OF STATEMENT OF WORK

This Statement of Work (“SOW”), adopts and incorporates by reference the terms and conditions of the Technical Services Agreement (“Master Agreement”), which was entered into on October 6, 2017 by and between Zoom Management, Inc. and Zoom Health Plan, Inc. All terms used but not defined herein shall have the definition provided in the Master Agreement.

Services: [Describe specific services to be provided, which may be either a discrete project or a set of services that will be provided on an ongoing basis]

Completion Date: [__] [__], 2017

Cost: \$___ per hour, in accordance with the terms of the Master Agreement.

Payment: [To be invoiced monthly in accordance with the terms of the Master Agreement] [OR] [\$___] in advance, based on an estimated total hours of [__]. Payment due within ten (10) days of the signing of this Statement of Work. ZMI will refund any unearned fee, and ZHP will pay any balance owed, within ten (10) days of the receipt of the invoice or completion of the Statement of Work, as applicable.]

Expenses: [List any known or anticipated expenses]. Expenses shall be reimbursed at cost.

Termination: This Statement of Work may be terminated in accordance with the terms of the Master Agreement

Zoom Management, Inc.

By _____
Name:
Title:

Zoom Health Plan, Inc.

By _____
Name:
Title:

ATTACHMENT A-1

INITIAL STATEMENT OF WORK

This Statement of Work (“SOW”), adopts and incorporates by reference the terms and conditions of the Technical Services Agreement (“Master Agreement”), which was entered into on October 6, 2017 by and between Zoom Management, Inc. (“ZMI”) and Zoom Health Plan, Inc. (“ZHP”). All terms used but not defined herein shall have the definition provided in the Master Agreement.

Services:

1. Provide working server file images for the Secure File Transfer Protocol (SFTP) server, ZHP to confirm receipt and correct function in writing.
2. Provide working server file images for the Electronic Service Bus (ESB) server(s), ZHP to confirm receipt and correct function in writing.
3. Provide a priority resource to assist with the following, estimated to require a 30 hours and agreed to require no more than 40 hours:
 - o Provide support/assistance to ZHP on server configuration changes required.
 - o Provide support/assistance to ZHP on server programming used for data file transfers.

Completion Date: Estimated October 15, 2017

Cost: No charge. The cost terms of the Master Agreement will not apply.

Expenses: Expenses shall not be reimbursed.

Termination: This Statement of Work may not be terminated in accordance with the terms of the Master Agreement

Zoom Management, Inc.

By _____
Name:
Title:

Zoom Health Plan, Inc.

By _____
Name:
Title:

ATTACHMENT B

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“**BAA**”) is made as of October 6, 2017 (the “**BAA Effective Date**”) by Zoom Health Plan, Inc. (“**Zoom**”), and Zoom Management, Inc. (“**Business Associate**”). This BAA is an independent agreement between the parties entered into in connection with one or more agreements pursuant to which Business Associate receives PHI (as defined below) (each is an “**Agreement**”). To the extent that there is any inconsistency between this BAA and the Agreement, this BAA shall control.

1. Definitions. Capitalized terms used in this BAA and not otherwise defined herein shall have the meanings set forth in the then-current Privacy and Security Rules.

Access shall have the limited meaning set forth within 45 CFR § 164.304.

Breach shall have the meaning set forth within 45 CFR § 164.402 and as applicable hereunder, shall also mean any other breach of this BAA.

Business Associate shall have the meaning set forth within 45 CFR § 160.103.

Designated Record Set shall have the same meaning as the term “designated record set” in 45 CFR § 164.501.

Electronic PHI shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 CFR § 160.103, as applied to the information of Zoom.

Individual shall have the same meaning as the term “individual” in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

HIPAA means the Health Insurance Portability and Accountability Act of 1996, Public Law No. 104-191.

HIPAA Regulations means those regulations promulgated under HIPAA by the U.S. Department of Health and Human Services.

HITECH Act means the BAA of HIPAA by the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5, 42 USC 17921 et. seq.) (“**ARRA**”).

Law Enforcement Official shall have the meaning set forth in 45 CFR § 164.103.

Laws means all federal, state and local statutes, regulations, codes, ordinances, directives and other binding determinations of any court or government agency.

Limited Data Set shall have the meaning set forth in 45 CFR § 164.514(e).

Privacy Rule shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 162 and Part 164, Subparts A and E.

PHI shall have the same meaning as the term “protected health information” in 45 CFR § 160.103, as applied to the information created or received by Business Associate from or on behalf of Zoom.

Required by Law shall have the meaning set forth within 45 CFR § 164.103.

Secretary shall mean the Secretary of the Department of Health and Human Services or his or her designee.

Security Incident shall have the meaning given to such term under the Security Rule, including, but not limited to, 45 CFR § 164.304.

Security Rule shall mean the Security Standards at 45 CFR Parts 160 and 162 and Parts 164, Subparts A and C.

Unsecured Protected Health Information shall have the meaning set forth within 45 CFR § 164.402.

2. Permitted Uses and Disclosures of PHI.

2.1 Uses and Disclosures of PHI. Except as otherwise limited in this BAA, Business Associate may use or disclose PHI only to perform functions, activities or services for, or on behalf of, Zoom as specified in the Agreement, provided that such use or disclosure would not violate the Privacy Rule or other applicable Laws if done by Zoom, or as Required by Law after at least ten (10) days advance written notice (or if not practicable, then the

longest advance written notice to Zoom practicable under the circumstances) prior to any use or disclosure Required by Law and all reasonable assistance required by Zoom in connection with efforts by Zoom to prevent or minimize such use or disclosure that is Required by Law.

2.2 Permitted Uses of PHI. Business Associate shall not use PHI in any way except as permitted in this BAA.

2.3 Permitted Disclosures of PHI. To the extent agreed to in advance by Zoom in writing, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that the disclosures are Required by Law or Business Associate obtains reasonable assurances from the person or entity to whom or which the information is disclosed that it shall remain confidential and shall be used or further disclosed only as Required by Law or for the purpose for which it was disclosed (which purpose must be consistent with the limitations imposed upon Business Associate pursuant to this BAA), and that the person agrees to notify Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached. Business Associate may use PHI to report violations of Law to appropriate federal and state authorities, consistent with 45 CFR Section 164.502(j)(1), so long as Business Associate provides written notice to Zoom of such reporting as soon as it is permitted to do so under applicable Laws, either in advance or after such reporting.

2.4 Data Aggregation and De-identified Data. Except as expressly permitted in the Agreement, Business Associate shall not use PHI for any reason, even if de-identified in accordance with the standards set forth in 45 CFR Section 164.514(b). Business Associate is granted no rights to any PHI in any form, including any derivation thereof, other than the limited rights set forth herein to use PHI to perform its obligations to Zoom under the Agreement.

2.5 Minimum Necessary and Limited Data Set. Business Associate's use, disclosure or request of PHI shall utilize a Limited Data Set if practicable. Otherwise, Business Associate will only use the minimum amount of PHI reasonably necessary to accomplish the intended and permitted purpose of the use, disclosure or request.

3. Obligations of Business Associate.

3.1 Appropriate Safeguards. Business Associate shall ensure that PHI is only used and disclosed as permitted in the Agreement and this BAA, and in any event with all applicable Laws. Business Associate shall implement administrative, physical and technical safeguards that appropriately protect the confidentiality, integrity and availability of Electronic PHI, including all safeguards required by the Security Rule and otherwise required by applicable Laws. Business Associate acknowledges and agrees that upon the effective date(s) of the requirements of the HITECH Act the requirements of 45 CFR Sections 164.308, 164.310, 164.312, and 164.316 shall apply to Business Associate, in its role as a Business Associate, in the same manner that such sections apply to Zoom. Business Associate shall follow reasonable system security principles consistent with industry standards and shall comply with the relevant requirements of the HITECH Act pertaining to the security of PHI including (1) implementing written policies and procedures that address the Security Rule's administrative, technical, and physical safeguard standards; (2) implementing a security awareness and training program for workforce members; (3) designating a security officer; and (4) conducting an accurate and thorough security risk analysis and implementing a security management process.

3.2 Reporting of Improper Use or Disclosure. Business Associate shall report to Zoom in writing any actual or reasonably suspected use or disclosure of PHI not provided for by the Agreement and this BAA within one (1) business day of becoming aware of such incident. Business Associate shall report to Zoom any Security Incident, Breach, or breach of applicable Laws relating to PHI or any information included in PHI upon becoming aware thereof; provided, however, that this Section is notice of, and Business Associate shall not be required to further report, an immaterial incident consisting solely of trivial incidents that occur on a daily basis, such as scans, "pings," or an unsuccessful attempt to improperly access Electronic PHI that is stored in an information system under its control; provided that Business Associate shall maintain a log of such trivial incidents and make it available to Zoom upon request. In the event of a Breach of Unsecured Protected Health Information, Business Associate shall also meet the requirements of Section 3.3 below.

3.3 Breach of Unsecured Protected Health Information. Business Associate shall report to Zoom without unreasonable delay, and in no case later than five (5) calendar days after discovery, any Breach of Unsecured Protected Health Information or any other Breach. Such report shall include the identification of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been subject to a Breach, a brief description of what happened, including the date of the Breach and the date of the discovery, if known; a description of the types of Unsecured Protected Health Information that were involved; and

the mitigation efforts and remedial action taken or proposed to be taken by Business Associate with respect to such Breach, which efforts and action will be commercially reasonable and will meet the requirements of applicable Law.

3.4 Business Associate's Agents. Business Associate shall ensure that any person or entity who receives PHI from Zoom or Business Associate under the Agreement, including Business Associate's agents, subcontractors and representatives, agrees in writing to and complies with the same restrictions and conditions that apply through this BAA to Business Associate with respect to such PHI. Business Associate shall ensure that any person or entity to whom it provides Electronic PHI, agrees to and does implement appropriate safeguards to protect such information. Business Associate is responsible for the actions and omissions of its subcontractors, agents and representatives to the same extent as it is responsible for the actions and omissions of its employees.

3.5 Access to PHI. Business Associate shall provide access, at the request of Zoom, and in the time and manner designated by Zoom, to PHI in a Designated Record Set, to Zoom or, as directed by Zoom, to an Individual in order to meet the requirements under 45 CFR Section 164.524.

3.6 Amendment of PHI. Business Associate shall make any amendment(s) to PHI in a Designated Record Set that Zoom directs or agrees to pursuant to 45 CFR Section 164.526 at the request of Zoom or an Individual, and in the time and manner designated by the Zoom. Any denial of amendment of PHI maintained by Business Associate or its agents or subcontractors shall be the responsibility of Zoom.

3.7 Documentation and Accounting of Disclosures. Business Associate agrees to document disclosures of PHI and information related to such disclosures as would be required for Zoom to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528. Business Associate agrees to provide to Zoom, in the time and manner reasonably designated by Zoom, information collected in accordance with the first sentence of this Section, to permit Zoom to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528. In the event that the request for an accounting is delivered directly to Business Associate or its agents or subcontractors, Business Associate shall forward such request to Zoom in writing. It shall be Zoom's responsibility to prepare and deliver any such accounting requested.

3.8 Access to Records. Business Associate shall make its internal practices, books and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Zoom available to the Secretary, to any other government auditors, and, at the request of Zoom, to Zoom, for purposes of determining compliance by Zoom with the Privacy Rule, the Security Rule or other Laws, or compliance by Business Associate with the Privacy Rule, the Security Rule, or other Laws and the requirements of the Agreement including this BAA.

3.9 Zoom Compliance. If Business Associate learns of any activity or practice of Zoom that Business Associate reasonably believes or should reasonably believe constitutes a violation of Zoom's obligations under HIPAA or other applicable Laws, Business Associate shall promptly inform Zoom in writing of such activity or practice.

3.10 Mitigation. Business Associate shall at its expense mitigate to the extent practicable any harmful effect that is known to Business Associate arising from a Breach occurring as a result of the action or omission of Business Associate (including its subcontractors, agents and employees), including providing all required notices after approval of the same by Zoom.

3.11 Indemnification. Business Associate shall indemnify and hold harmless Zoom and its affiliates and the officers, directors, employees and agents of each from and against any claims arising from a breach of this Agreement by Business Associate (including its subcontractors, agents and employees), and all damages, losses, expenses, penalties, fines and other amounts incurred by each or owed by each to a third party based on such claims, including without limitation legal expenses and reasonable attorneys fees.

4. Obligations of Zoom.

4.1 Notice of Privacy Practices. Zoom shall notify Business Associate of any limitation(s) in its notice of privacy practices in accordance with 45 CFR Section 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI. Zoom shall provide such notice no later than fifteen (15) days prior to the effective date of the limitation.

4.2 Notification of Changes Regarding Individual Permission. Zoom shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may

affect Business Associate's use or disclosure of PHI. Zoom shall provide such notice no later than fifteen (15) days prior to the effective date of the change.

4.3 Notification of Restrictions to Use or Disclosure of PHI. Zoom shall notify Business Associate of any restriction to the use or disclosure of PHI that Zoom has agreed to in accordance with 45 CFR Section 164.522, to the extent that the restriction may affect Business Associate's use or disclosure of PHI. Zoom shall provide such notice no later than fifteen (15) days prior to the restriction effective date.

5. Term and Termination.

5.1 Term. The term of this BAA shall commence as of the BAA Effective Date, and shall terminate when Business Associate no longer has any access to PHI and all of the PHI provided by Zoom to Business Associate, or created or received by Business Associate on behalf of Zoom, is destroyed or returned to Zoom or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the Effect of Termination Section.

5.2 Termination by Zoom. Upon Zoom's knowledge of a breach by Business Associate of this BAA, Zoom may in its discretion (i) provide an opportunity for Business Associate to cure the breach or end the violation within the time specified by Zoom, or (ii) immediately terminate this BAA and the Agreement or any portion thereof.

5.3 Effect of Termination.

a. Except as provided in Section 5.3.b, upon termination of the Agreement or this BAA for any reason, Business Associate shall return or destroy all PHI received from Zoom, or created or received by Business Associate on behalf of Zoom, and shall retain no copies of the PHI. This provision shall also apply to PHI that is in the possession or under the control of subcontractors, agents or representatives of Business Associate.

b. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Zoom notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this BAA to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

6. BAA and Interpretation. The parties acknowledge that this BAA is intended to reflect the requirements of the Privacy Rule and Security Rule as amended by the HITECH Act upon the date they become finally effective. The parties agree to take such action to amend this BAA from time to time as necessary to comply with the requirements of the Privacy Rule and the Security Rule and other applicable Laws. Any ambiguity in this BAA shall be resolved in favor of a meaning that permits the parties to comply with all Laws applicable to PHI and the information included therein.

ZOOM MANAGEMENT, INC.

By: _____
Name: Dr. David Sanders
Title: CEO and Founder

Address:
1455 NW Irving St.
Suite 600
Portland, OR 97209

ZOOM HEALTH PLAN, INC.

By: _____
Name: Jean Straight
Title: Receiver for Zoom Health Plan, Inc.

Address:
Risk & Regulatory Consulting, LLC
2501 SW First Ave., Suite 100
Portland, OR 97201

Exhibit E

Pro Forma and
Statement of Anticipated Administrative Expenses

Pro Forma

Zoom Health Plan

	Zoom's Projections Using Milliman 7/7/17 Forecast	Adjustment for Milliman Administrative Cost Estimate	Agreed Pro Forma Using Milliman 7/7/17 Projection and Receiver's Admin Expenses
Run-out calculations	7/10/2017		
Capital & Surplus 12/31/2016	\$2,873,168		\$2,873,168
Unfunded Surplus note 12/30/2016	\$3,000,000		\$3,000,000
Actual C&S 12/31/2016 (Allowed per SSAP)	(\$126,832)		(\$126,832)
Capital Infusions 3/31 & 4/5	\$2,000,000		\$2,000,000
Current C&S	\$1,873,168		\$1,873,168
Anticipated run off deficits			
2017	(\$1,899,621)	\$1,564,000	(\$135,621)
2018	(\$756,765)	\$755,000	(\$1,765)
2019	(\$191,819)	\$192,000	\$181
Additional Administrative Costs for Runoff	\$0		-3,486,000
Risk Adjustment - 2016 Actual changes	\$632,714		\$632,714
Reinsurance - Change in Booked to Actual	\$25,266		\$25,266
IBNP (IBNR + ICOS) - Change in Booked 2016YE to 2017Q1	\$551,488		\$551,488
LAE - Change in Booked 2016YE to 2017Q1	\$15,582		\$15,582
Zoom P.C. Claims Payable - Change in Booked 2016YE to 2017Q1	\$846,450		\$846,450
Total anticipated deficit	(\$576,706)		(\$1,551,706)
Estimated C&S as of 3/31	\$1,296,462		\$321,462
Minimum Capital & Surplus	\$2,500,000		\$2,500,000
Amount currently needed to maintain Min C&S (include 12/31/2016 Surplus Note)	\$1,203,538		\$2,178,538

Zoom Health Plan
 Estimated Administrative Expenses
 July 7, 2017
 (April 1, 2017 through April 30, 2019)

Page 1

Administrative Expenses	2017 April	2017 May	2017 June	2017 July	2017 August	2017 September	2017 October	2017 November	2017 December	2017 Totals
Personnel Expenses ¹	79,435	69,778	43,725	43,725	49,725	49,725	49,725	49,725	49,725	429,315
Health Insurance and Sillments ²	0	1,452	2,899	2,899	2,900	2,900	2,900	2,900	2,900	22,425
Commissions ³	7,800	7,845	8,892	4,897	4,497	4,552	4,273	4,103	4,007	44,481
Consulting ⁴	39,900	10,000	10,000	0	0	0	0	0	0	75,000
Depreciation ⁵										0
Rent ⁶		5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	40,800
Reinsurance ⁷	67,400	67,400	197,400	197,400	96,300	96,300	52,625	42,576	42,976	630,973
Rentals ⁸	50,000	50,000	50,000	102,000	50,000	50,000	50,000	0	0	340,000
Supplies ⁹	75,000	0	0	0	0	0	0	0	0	75,000
Regulatory Fees ¹⁰			15,000	15,000	2,000	2,000	2,000	2,000	2,000	43,000
Software ¹¹	4,324	14,172	14,158	14,002	4,076	4,035	4,052	14,057	14,023	126,961
Bank Fees ¹²	8,195	5,120	4,839	4,895	4,193	4,193	4,193	4,193	4,193	41,854
Employee Parking ¹³			125	125	125	125	125	125	125	875
Disability ¹⁴			59	59	59	59	59	59	59	483
Communications ¹⁵			573	576	600	600	600	600	600	4,880
Other ¹⁶			23	23	23	23	23	23	23	151
Other ¹⁷	15,000	7,801	12,107	5,000	5,000	5,000	5,000	5,000	15,240	70,400
Totals	359,279	315,015	351,296	383,406	208,726	238,843	206,045	155,072	144,566	2,246,446

Zoom Health Plan
 Estimated Administrative Expenses
 July 7, 2017
 (April 1, 2017 through April 30, 2018)

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Administrative Expenses	2017 January	2018 February	2018 March	2018 April	2018 May	2018 June	2018 July	2018 August	2018 September	2018 October	2018 November	2018 December	2018 Totals
Personnel Expenses	10,500	21,831	21,831	12,450	12,450	2,400	2,400	7,603	7,603	7,603	7,603	7,603	150,022
Health Insurance and Benefits	1,025	1,025	1,025	1,104	1,104	1,104	1,104	433	433	433	433	433	10,734
Commissions	0	0	0	0	0	0	0	0	0	0	0	0	0
Consulting	10,000	0	0	0	0	0	0	0	0	0	0	0	10,000
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Rent	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	132,000
Reserves	98,300	42,975	42,975	42,975	42,975	42,975	42,975	42,975	42,975	42,975	42,975	42,975	509,825
Litigation	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Regulatory	2,000	2,000	2,000	2,000	10,300	2,000	2,000	2,000	2,000	2,000	2,000	2,000	32,300
Software	11,250	11,250	11,250	10,910	10,910	10,910	10,910	10,910	10,910	10,910	10,910	10,910	129,120
Bank Fees	4,160	4,160	4,160	4,160	4,160	4,160	4,160	4,160	4,160	4,160	4,160	4,160	50,720
Employee Fidelity	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Stocks	130	130	130	130	130	130	130	130	130	130	130	130	1,560
Communications	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	12,504
Office	45	45	45	45	45	45	45	45	45	45	45	45	540
Other	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Total	173,904	111,756	115,476	50,236	22,275	30,275	34,901	34,901	34,901	34,901	34,901	34,901	705,000

Zoom Health Plan
 Estimated Administrative Expense
 July 7, 2017
 (April 1, 2017 through April 30, 2019)

Page 2

Administrative Expenses	2019 January	2019 February	2019 March	2019 April	2019 Totals	Run-Off Totals
Personnel Expenses ¹						598,538
Health Insurance and Benefits ²						33,169
Commissions ³						46,461
Contracting ⁴						153,000
Depreciation ⁵						0
Fees ⁶						172,809
Revenue ⁷	50,000					1,560,000
Litigation ⁸						348,935
Supervision ⁹						75,000
Regulatory Fees ¹⁰						12,000
Software ¹¹						253,112
Salaries ¹²						92,170
Employee Parking ¹³						4,475
Security ¹⁴						2,151
Governmental ¹⁵						17,194
Copy ¹⁶						701
Other ¹⁷						130,406
Totals	50,000	0	0	0	30,000	3,486,000

Estimated Expenses

Exhibit F
Global Release

GLOBAL RELEASE

(a) DCBS Release: Except with respect to its obligations under the Global Settlement Agreement dated October 6, 2017 by and between the parties and except as set forth in (d) below, the State of Oregon by and through the Department of Consumer and Business Services (“DCBS”) on behalf of itself and each of its agencies, employees, officers, directors, divisions, successors, predecessors, affiliates, insurers and their respective assigns and legal representatives, whether future, former or current and all persons acting by, through, under, or in concert with DCBS, hereby release and discharge Zoom Health Plan, Inc. (“ZHP”), Zoom Management, Inc. (“ZMI”), and all of ZHP's and ZMI's future, former and current predecessors, successors, owners, direct and indirect parent companies, direct and indirect subsidiary companies, companies under common control with any of the foregoing, insurers, legal representatives, affiliates and assigns (collectively “Affiliates”) and each of ZHP, ZMI and their Affiliates' past, present, and future officers, directors, shareholders, employees, managers, representatives, assigns, and successors in interest, and all persons acting by, through, under, or in concert with them, and each of them (collectively “ZHP/ZMI Released Parties”), from all known and unknown charges, complaints, claims, liabilities, damages, penalties, fines, fees (including attorneys' fees and costs actually incurred), and punitive damages, of any nature whatsoever, known or unknown, which DCBS has, or may have had, against ZHP/ZMI Released Parties, whether or not apparent or yet to be discovered, or which may hereafter develop, for any acts or omissions related to or arising from the management, operation, or actions taken or not taken on behalf of, ZHP, including, without limitation, compliance with or failure to comply with the Insurance Code as defined in ORS 731.004 (“Insurance Code”).

(b) ZHP Release: Except with respect to its obligations under the Global Settlement Agreement dated October 6, 2017 by and between the parties and except as set forth in (d) below, ZHP on behalf of itself and its Affiliates hereby releases and discharges ZMI and its Affiliates and each of ZMI and its Affiliates' past, present, and future officers, directors, shareholders, employees, managers, representatives, assigns, and successors in interest, and all persons acting by, through, under, or in concert with them, and each of them, (collectively, “ZMI Released Parties”) from all known and unknown charges, complaints, claims, liabilities, damages, penalties, fines, fees (including attorneys' fees and costs actually incurred), and punitive damages, of any nature whatsoever, known or unknown, which ZHP or its Affiliates has, or may have had, against ZMI Released Parties, whether or not apparent or yet to be discovered, or which may hereafter develop, for any acts or omissions related to or arising from the management, operation, or actions taken or not taken on behalf of, ZHP, including, without limitation, compliance with or failure to comply with the Insurance Code.

(c) ZMI Release. Except with respect to its obligations under the Global Settlement Agreement dated October 6, 2017 by and between the parties and except as set forth in (d) below, ZMI, on behalf of itself and its Affiliates, hereby releases and discharges ZHP and its Affiliates and each of ZHP and its Affiliates' past, present, and future officers, directors, shareholders, employees, managers, representatives, assigns, and successors in interest, and all persons acting by, through, under, or in concert with

them, and each of them (collectively, “ZHP Released Parties”), from all known and unknown charges, complaints, claims, liabilities, damages, penalties, fines, fees (including attorneys' fees and costs actually incurred), and punitive damages, of any nature whatsoever, known or unknown, which ZMI has, or may have had, against ZHP Released Parties related to or arising from the management, operation, or actions taken or not taken on behalf of, ZHP including, without limitation, compliance with or failure to comply with the Insurance Code.

(d) Exception from Release. The releases described in paragraphs (a) through (c) shall not include the release of claims between ZHP and any of the “ZoomCare Provider Corporations” that arose or arise in the future in the ordinary course of ZHP's health insurance business. For the purposes of this paragraph (d), the term “ordinary course of the health insurance business” shall mean the delivery, payment, or reimbursement of health care services pursuant to a health insurance plan or policy issued by ZHP, including associated functions such as pre-authorization, medical records transfer, and medical management, and including the terms of any provider contract between ZHP and any of the ZoomCare Provider Corporations. For the avoidance of doubt, claims or liabilities arising from alleged violations of the Insurance Code are not in the ordinary course of the health insurance business.

(e) Effective Date. This Global Release is effective as of _____, 2017.

State or Oregon, Department of Consumer and Business Services

By _____
Name: Jean Straight
Title: Acting Director

Zoom Management, Inc.

By _____
Name: David Sanders, MD
Title: Chief Executive Officers

Zoom Health Plan, Inc.

By _____
Name: Jean Straight
Title: Receiver

Exhibit G

New Surplus Note

**ZOOM HEALTH PLAN, INC.
SURPLUS NOTE TO
ZOOM MANAGEMENT, INC.**

Date: _____, 2017

\$ 2,178,538

Zoom Health Plan, Inc. (“ZHP”), an Oregon corporation licensed as a health insurance provider under Oregon law, for cash received, hereby promises to pay to the creditor named above or its assigns that are approved by the Oregon Division of Financial Regulation to the extent required by Oregon law (“Lender”), the principal amount set forth above (“Principal”) plus interest at the rate of six percent (6%) per annum from the date set forth above (“Note Date”) until the date paid, compounded quarterly.

1. Repayment. ZHP will repay the Principal and all interest as follows, subject to reduction as set forth in Sections 2 - 4:

- a. For the first three (3) years after the Note Date, no payment is due, and interest will accrue on a quarterly basis.
- b. For the next three (3) years after the Note Date, interest will accrue on a quarterly basis, and each quarter interest accrued through the end of such quarter will be paid in accordance with Section 3 below.
- c. The Principal at the end of six (6) years from the Note Date will be amortized over six (6) years with interest in equal quarterly payments, and will be paid in accordance with Section 3 below.
- d. There is no penalty for prepayment.

2. Minimum Capital. No payment is due under this Surplus Note if such payment would reduce ZHP’s capital below the amount required under Oregon law.

3. Division Approval. Any payment under this Surplus Note is subject to the approval of the Oregon Division of Financial Regulation, payment is conditioned upon such approval, and the failure of the Oregon Division of Financial Regulation to approve any payment is not a default of this Surplus Note. Interest will not be recorded as a liability nor an expense until approval for payment of such interest has been granted by the Commissioner of the Oregon Division of Financial Regulation. All interest, including interest in arrears, will be expensed in the statement of operations when approved for payment by the Commissioner of the Oregon Division of Financial Regulation. Unapproved interest will not be reported through operations, will not be represented as an addition to the Principal or notional amount of this Note, and will not accrue further interest (i.e., interest on interest).

4. Payment Subordinate. Payment under this Surplus Note is subordinate to the following:

- a. Payments to policyholders
- b. Payments to claimant and beneficiary claims
- c. Payments to all other creditors of ZHP other than surplus note holders
- d. Other obligations to which Lender consents in writing to subordinate the Surplus Note

5. Assignment. Lender may assign this Surplus Note in whole or in part, or pledge its right to receive payments under this Surplus Note, by written notice to ZHP.

6. Applicable Law. This Surplus Note and all rights and obligations hereunder will be governed by and construed in accordance with the laws of the State of Oregon.

ZOOM HEALTH PLAN, INC.

By: _____
Name: _____
Title: _____

ZOOM MANAGEMENT, INC.

By: _____
Name: _____
Title: _____