

HEALTH REPUBLIC INSURANCE COMPANY in LIQUIDATION ("HRI")

Vendor Expenses on a Modified Cash Basis

Cumulative For The Period May 11, 2016 to July 31, 2017

Modified Cash Basis Expenses (Note 1)

<u>Expense Category</u>	<u>Vendor</u>	<u>Description of Expense</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Cumulative Since Date of Liquidation</u>	
Administrative Expenses:											
	Garden City Group	Mailings of court orders, phone center, web-site monitoring	12,518		21,718	Note 3	10,401	11,479	20,074	766,366	
	New York Liquidation Bureau	Salaries and Overhead	115,200	109,313	170,094		108,152	82,554	120,000	1,685,705	
	Rackspace US, Inc.	Cloud storage	19,462	19,462	19,539		19,538	39,076	19,502	294,655	
	DAZ	Oracle general ledger report writer services	-						-	15,169	
	MegaPath	IT vendor that hosts data lines and phones	-						-	9,240	
	Oracle	HRI General Ledger support	-						84,015	140,025	
	North Shore-LIJ CareConnect	Final health insurance for HRI employees	-						-	8,022	
	Various Bank Service Charges	Bank Accounts service charges	1,115						-	12,530	
	Other Operating Expenses	Overnight mail, telephone, archiving, web-site fee	1,221	5,365	978		1,565	1,990	1,609	19,271	
	IBM Corporation								18,500	18,500	
		Total Administrative Expenses	<u>149,516</u>	<u>134,140</u>	<u>212,329</u>	<u>138,091</u>	<u>173,175</u>	<u>123,620</u>	<u>263,700</u>	<u>2,969,484</u>	
Consulting Expenses:											
	Various Employees	HRI Employees Salaries including tax and processing fees	-						-	146,123	
	Alvarez & Marsal	Consulting services rendered in the liquidation	-	60,069	61,712	55,466	16,112	17,856	-	1,815,320	
	HRI Employees	HRI employees retained	38,235	25,612	26,024	26,175	12,788		-	193,464	
	BDO Seidman	Collection and delivery of 2014 workpapers	-						-	6,000	
		Total Consulting Expenses	<u>38,235</u>	<u>85,681</u>	<u>87,736</u>	<u>81,641</u>	<u>28,899</u>	<u>17,856</u>	<u>-</u>	<u>2,160,907</u>	
Legal Expenses:											
	Finsbury	Legal support	-						-	11,145	
	Dentons	Legal support	-						-	10,542	
	Transperfect	Translation services for court documents	-	330					-	2,209	
	Weil Gotshal	Legal support	-	139,305			358,586		-	1,248,687	
	Clarick Gueron Reisbaum, LLP	Legal support					4,044	63,419	45,031	112,494	
		Total Legal Expenses	<u>-</u>	<u>139,635</u>	<u>-</u>	<u>-</u>	<u>362,630</u>	<u>63,419</u>	<u>45,031</u>	<u>1,385,077</u>	
Professional Fees:											
	Pomco	Claims processing	363,636	Note 2				147,664	Note 6	22,200	1,806,226
	Eisner/Amper	Fees for 2015 and 2016 financial audit	46,945		45,650	38,735	135,000		25,000	716,374	
	Truven Health Analytics,LLC	Claims audit	34,000		-	34,000	-		-	68,000	
		Total Professional Fees	<u>444,581</u>	<u>-</u>	<u>45,650</u>	<u>72,735</u>	<u>135,000</u>	<u>147,664</u>	<u>47,200</u>	<u>2,590,600</u>	
		Grand Total Expenses May 11, 2016 to July 31, 2017	<u>\$ 632,332</u>	<u>\$ 359,456</u>	<u>\$ 345,715</u>	<u>\$ 292,467</u>	<u>\$ 699,704</u>	<u>\$ 352,558</u>	<u>\$ 355,931</u>	<u>\$ 9,106,067</u>	

NOTE 1: NYLB financial statements are prepared on a Modified Cash Basis. Expenses are recognized when paid rather than when the obligation is incurred.

NOTE 2: The January payment for POMCO is for the months of November, \$181,818 and December, \$181,818.

NOTE 3: The payment for Garden City Group is for the months of January \$13,447 and February \$8,271.

NOTE 4: The payment includes six invoices for the months of October 2016 - March 2017 and represents a final settlement of outstanding obligations to Weil Gotshal.

NOTE 5: The payment for Rackspace is for the months of May \$19,538 and June \$19,538.

NOTE 6: Represents a final settlement of outstanding obligations to POMCO.

NOTE 7: The payment is for the period November 2016 to July 2017.