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March 25, 2022

Affiliated Physicians and Employers Master Trust (Case No.: 21-14286-MBK)
Notice of Plan Confirmation and Collection Efforts

Dear Sir or Madame:

The undersigned represents Affiliated Physicians and Employers Master Trust d/b/a Member Health Plan NJ (“APEMT”), in the above-referenced matter. You are receiving this notice because you are or were a member of APEMT’s health plan as early as January of 2020 or at any time thereafter. If you have paid your assessment or are paying pursuant to a promissory note executed by you, APEMT would like to thank you for your cooperation and is not looking for anything from you at this time.

On May 24, 2021, APEMT filed a chapter 11 petition for bankruptcy protection in the United States Bankruptcy Court for the District of New Jersey. On December 9, 2021, the Debtor filed its *Second Amended Subchapter V Plan of Orderly Liquidation* (the “Plan”). [Doc 252] On March 21, 2022, the Court entered an *Order Confirming the Debtor’s Subchapter V Plan for Liquidation Pursuant to 11 U.S.C. 1191(a)* (the “Confirmation Order”). [Doc 404] A copy of the Confirmation Order is attached to this notice. An electronic copy of the Order, Plan and any plan documents is available at <https://membershealthplannj.com/resources/mhpnj-important-plan-information/>.

The purpose and justification of APEMT’s efforts have been shared in prior communications. Those details and the basis for this process is contained in the documents referenced above. We urge you to promptly consult those documents if you still have questions. If you need copies of your enrollment agreement or current demand amount, please contact SM Law, LLC at: 908-572-7275 or danielle@sm-lawpc.com.

APEMT has been collecting delinquent health plan fees and assessments from the former members who were enrolled at any point during the years 2020 and 2021. Your continued proportional liability for shortfalls in the health plan was disclosed to you in the health plan documents upon your enrollment. Pursuant to the applicable provisions of N.J.S.A. 17B:27C-1 et seq. (the “Self-Funded Multiple Employer Welfare Arrangement Regulation Act” or “MEWA Act”), APEMT is ***obligated*** to collect from you the entire amount of the assessment, ***including collection costs such as attorney fees.***



This communication is APEMT's **final attempt** to amicably collect from you the entire assessment and the **additional** ten percent (10%) in attorney fees resulting from your failure to pay the assessment before the retention of collection counsel (SM Law, LLC) was necessary. **It is imperative that you pay your balance in full immediately in order to avoid an attorney fee of up to thirty percent (30%) of your assessment.** The increased attorney fees will be included in any collection lawsuit filed against you. APEMT anticipates those **lawsuits will commence as early as three (3) weeks from the date of this letter.**

APEMT has received a substantial number of calls asking for discounts of the demand amount in exchange for prompt payment. As a result of APEMT's fiduciary obligation to its members through 29 U.S.C. Ch. 18 (the "Employee Retirement Income Security Act" or "ERISA") and the MEWA Act, APEMT cannot show any deference for any of the members above any other member. As such, **APEMT is unable to compromise on the assessment in exchange for a prompt resolution.** Doing so would reduce the proportional assessment paid by that member and increase the burden on the remaining members to cover the balance of that reduced amount. Moreover, **APEMT cannot forgive or waive attorney fees or other collection costs (including attorney fees) that APEMT has been forced to incur.** Since APEMT is obligated to compensate its collection counsel out of the assessments collected, APEMT's failure to collect those fees from delinquent members would reduce the amount of funds available to pay the outstanding medical and pharmacy claims (which is the purpose of the assessment in the first instance). This has been communicated to all members requesting discounts. No settlements have been or will be granted. APEMT has maintained this stance from the outset and will continue to do so.

Additionally, checks and payments for the full balance (including attorney fees) that indicate the payment is made in exchange for a release from future assessments, or represent "final payment," or include any other reservation, **will be returned.** If that occurs, and if the payment is not replaced without any reservations prior to APEMT's initiation of a lawsuit to recover the assessment, **you will be obligated for the assessment balance and increased attorney fees detailed above.**

Please also note, APEMT cannot entertain any long terms payments plans. If you think you will need to spread payments out over a couple of months, it is imperative that you start making those payments immediately.

Very truly yours,

GENOVA BURNS, LLC
DON CLARKE

A handwritten signature in black ink, appearing to read "Don Clarke", is written over the typed name "DON CLARKE".