

McMANIMON, SCOTLAND & BAUMANN, LLC

75 Livingston Avenue, Suite 201

Roseland, New Jersey 07068

(973) 622-1800

Anthony Sodono, III (007631990)

Sari B. Placona (108842014)

Counsel to Brian W. Hofmeister, Independent Receiver

In Re:

LIQUIDATION AND DISSOLUTION OF
AFFILIATED PHYSICIANS AND
EMPLOYERS MASTER TRUST D/B/A
MEMBER HEALTH PLAN NJ,

Petitioner.

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION- MORRIS COUNTY

DOCKET NO. MRS-C-111-22

**NOTICE OF MOTION OF BRIAN W. HOFMEISTER, INDEPENDENT
RECEIVER FOR AN ORDER APPROVING CONFIDENTIAL SETTLEMENT
AGREEMENT AND RELEASE, AND GRANTING RELATED RELIEF**

PLEASE TAKE NOTICE that on the **2nd day of August, 2024, at 9:00 a.m.**, or as soon thereafter as counsel may be heard, the undersigned counsel to Brian W. Hofmeister (the “Independent Receiver”) shall move before the Honorable Frank J. DeAngelis, P.J. Ch. at the Superior Court of New Jersey, Morris County Courthouse, Chancery Division, 10 Court Street, Floor 4, Morristown, New Jersey for an Order approving the Confidential Settlement Agreement and Release, and granting related relief (“Motion”).

PLEASE TAKE FURTHER NOTICE that in support of the within Motion, the undersigned shall rely upon the Certification of the Independent Receiver, submitted herewith in support of the relief requested

PLEASE TAKE FURTHER NOTICE that the within Motion is brought before the Court pursuant to Rule 1:6-2. A proposed form of Order is submitted herewith.

PLEASE TAKE FURTHER NOTICE that any opposition to the Motion must be in writing, filed with the Court and served upon the undersigned in accordance with the Rules of Court.

PLEASE TAKE FURTHER NOTICE that oral argument is hereby waived unless timely objection is received.

**McMANIMON, SCOTLAND
& BAUMANN, LLC**
*Counsel to Brian W. Hofmeister, Independent
Receiver*

By: /s/ Sari B. Placona
Sari B. Placona

Dated: July 8, 2024

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SUPERIOR COURT OF NEW JERSEY
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DOCKET NO. MRS-C-111-22

**CERTIFICATION OF BRIAN W. HOFMEISTER, INDEPENDENT RECEIVER
IN SUPPORT OF MOTION FOR AN ORDER APPROVING CONFIDENTIAL
SETTLEMENT AGREEMENT AND RELEASE, AND GRANTING RELATED
RELIEF**

BRIAN W. HOFMEISTER, of full age, hereby certifies as follows:

1. I am the Independent Receiver (“Independent Receiver”) appointed in the above-captioned case to oversee the liquidation and dissolution of Affiliated Physicians and Employers Master Trust d/b/a Members Health Plan NJ (“APEMT”).

2. I respectfully submit this Certification in support of my motion to approve the Confidential Settlement Agreement and Release by and between APEMT, Megna Law Firm and William F. Megna (collectively, “Megna”) and Definitive Insurance Management Services (“Definitive”) (APEMT, Megna and Definitive are hereinafter referred to collectively as the “Parties (the “Motion”).

3. APEMT is a multiple employer welfare arrangement (“MEWA”) licensed by the State of New Jersey.

4. Megna previously served as General Counsel for, and provided legal services to, APEMT.

5. Definitive provided insurance management services on behalf of APEMT.

6. APEMT filed a Chapter 11 Voluntary Petition in the United States Bankruptcy Court for the District of New Jersey on May 24, 2021. The Bankruptcy Court appointed me as Subchapter V Trustee on May 25, 2021. On June 23, 2022, I submitted a Post-Confirmation Status Report and Request for Status Conference to the Bankruptcy Court, in which I recommended that the Bankruptcy Court permit me, as the Subchapter V Trustee to investigate “potential claims” (the “Claims”) against: (i) Megna for, among other things, alleged breaches of duty in connection with the aforesaid legal services rendered to APEMT, and (ii) Definitive for, among other things, various breaches of duty.

7. On November 10, 2022, the Superior Court of New Jersey, Chancery Division, Morris County, issued a Judgment regarding the liquidation and dissolution of APEMT in which the Superior Court appointed me as the Independent Receiver to oversee the dissolution and liquidation of APEMT in accordance with N.J.S.A. 17B:27C-11. In addition, the Superior Court authorized me as the Independent Receiver to retain counsel to explore and investigate the Claims against Megna and Definitive.

8. After extensive negotiations, the Parties agree to resolve this matter and have entered into a Confidential Settlement Agreement and Release (the “Settlement Agreement”). The Settlement Agreement collectively states that all claims the Parties have against each other are hereby resolved in full satisfaction in exchange for a certain payment. The settlement terms set forth in the Settlement Agreement are incorporated herein.

9. Megna shall pay a confidential amount to APEMT pursuant to the Settlement Agreement. The payment shall be made to APEMT within fifteen (15) days of the Court approving this settlement.

10. The terms of the Settlement Agreement are confidential, and therefore, I am prepared to submit the Settlement Agreement to the Court for an in-camera review, if necessary.

11. Based on the foregoing and my business judgment, I respectfully request that the Settlement Agreement be approved, and that this Motion be approved in its entirety.

I hereby certify that all of the facts set forth herein are true to the best of my knowledge, information and belief. I am aware that if any of the foregoing statements are willfully false, that I am subject to punishment.

Dated: July 8, 2024

/s/ Brian W. Hofmeister
Brian W. Hofmeister, Independent
Receiver

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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION- MORRIS COUNTY

DOCKET NO. MRS-C-111-22

**ORDER APPROVING CONFIDENTIAL SETTLEMENT AGREEMENT AND
RELEASE, AND GRANTING RELATED RELIEF**

THIS MATTER having been presented to the Court by Brian Hofmeister, Independent Receiver (“Independent Receiver”), appointed in the above-captioned case to oversee the dissolution and liquidation of Affiliated Physicians and Employers Master Trust d/b/a Members Health Plan NJ (“APEMT”), seeking relief by Motion to approve the Confidential Settlement Agreement and Release, and granting related relief (“Motion”)¹; and the Court having considered the submissions in support and opposition, if any; and for good cause shown;

IT IS on this _____ day of August, 2024,

ORDERED that proper notice has been provided to all creditors and parties-in-interest; and it is further

ORDERED that the Confidential Settlement Agreement and Release entered into by and between by and between APEMT, Megna Law Firm and William F. Megna and Definitive Insurance Management Services is hereby approved in its entirety; and it is further

¹ All terms defined in the pleadings filed in support of the Motion shall have the same meaning herein.

ORDERED that this Court shall retain jurisdiction with respect to the interpretation or enforcement of this Order; and it is further

ORDERED that the Independent Receiver shall serve a copy of this Order upon all creditors and interested parties within _____ days from receipt.

HONORABLE FRANK J. DEANGELIS, P.J. CH