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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

Civil Action

CERTIFICATION OF BRIAN W. HOFMEISTER, INDEPENDENT RECEIVER

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 dissolution and liquidation of Affiliated Physicians and Employers Master Trust d/b/a Members Health Plan NJ (“APEMT”).

2. Attached as Exhibit A is my Tenth Interim Status Report as to the progress of the dissolution and liquidation of the APEMT estate and remaining matters to be resolved.

Dated: February 10, 2026

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

EXHIBIT A



INDEPENDENT RECEIVER REPORT

ON BEHALF OF

AFFILIATED PHYSICIANS AND EMPLOYERS MASTER TRUST

**FILED WITH THE SUPERIOR COURT OF NEW JERSEY
MORRIS COUNTY**

TENTH INTERIM STATUS REPORT SUBMITTED BY

BRIAN W. HOFMEISTER, ESQ.
INDEPENDENT RECEIVER

AS OF JANUARY 31, 2026

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1.0 INSTRUCTIONS FROM STATE SUPERIOR COURT

Appointment of Independent Receiver By State Superior Court (“Court”)

On November 10, 2022, the Honorable Frank J. DeAngelis, J.S.C., in the Superior Court of New Jersey, Law Division of Morris County, issued the following judgment regarding the Liquidation and Dissolution of the **Debtor/Affiliated Physicians and Employers Master Trust (“APEMT”)**:

- Appointed Brian W. Hofmeister as **Independent Receiver (“Receiver”)** to oversee the dissolution and liquidation of **APEMT** in accordance with New Jersey **MEWA** statute *17B:27C-11 Rehabilitation, Liquidation, Conservation, Dissolution*;
- Authorized the **Receiver** to continue to execute **APEMT’s** Bankruptcy Plan;
- Authorized the **Receiver** to take all action necessary to enact and comply with the Plan and Confirmation Order entered in **APEMT’s** Bankruptcy Case;
- Authorized the relief granted in the Plan and Confirmation Order including, but not limited to, **APEMT’s** Post-Confirmation Operations;
- Authorized the **Receiver** to continue pursuing claims on behalf of the **APEMT** as set forth in the Bankruptcy Court’s *“Expansion of Powers and Confirmation Orders”*;
- Authorized the **Receiver** and **APEMT** (respectively) to retain attorneys, consultants, accountants, and other specialists as necessary, and pay those professionals from **APEMT’s** assets;
- Authorized the waiver of any Bond requirements for the **Receiver**; and
- Such other relief that the State Superior Court may deem equitable.

Independent Receiver Sought Relief from State Superior Court (“Court”)

On March 17, 2023, the Honorable Frank J. DeAngelis, J.S.C., in the Superior Court of New Jersey, Law Division of Morris County, issued an order (“March 17, 2023 Order”) regarding the relief sought by way of motion (the **“Motion”**) by the Independent Receiver on behalf of the **Debtor/APEMT**. The **Motion** was served upon all known creditors and parties in interest by United States first class regular mail pursuant to *R. 1:1-2*. The **Court** having considered the submissions in support and opposition, if any; and for good cause shown the March 17, 2023 Order provides as follows:

- Affirming and authorizing the continued retention of professionals to the **Receiver**;
- Adopting and approving the claims process undertaken in the bankruptcy court;

- Authorizing procedures for notice and authorizing monthly payments to professionals; and
- Such other equitable Relief as described in the March 17, 2023 **Court** Order.

Modification of the State Superior Court Order of March 17, 2023

On May 31, 2023, the Honorable Frank J. DeAngelis, J.S.C., in the Superior Court of New Jersey, Law Division of Morris County, issued the following order (the “**March 31, 2023 Order**”) regarding a request by the New Jersey Department of Banking and Insurance (“**NJ DOBI**”) to modify the **March 17th Order**. **NJ DOBI**’s submitted a motion to the **Court** for reconsideration and/or to modify the **March 17th Order**. The **Court** granted **NJ DOBI**’s request to modify the **March 17th Order** in part as follows:

- The **Receiver** shall provide to all parties in interest a further status report within ninety (90) days of the date of the entry of this **Order** [March 31, 2023 Order] and provide quarterly updates thereafter. With the status report to be served in accordance with this **Order**, the **Receiver** shall:
 1. Address his recommendation with respect to the proposed distribution of any surplus funds to members of **APEMT**;
 2. Address the status of the feasibility of proposed civil liability actions against professionals of **APEMT**, as identified in the **Receiver**’s Interim Report; and
 3. Address the amount of funds required to be set aside to cover subrogated medical claims.
- The **Receiver** shall provide **NJ DOBI** with updates every forty-five (45) days regarding the adjudication of any remaining claims and the disposition of provider claims handled by or on behalf of **Aetna** or subrogation litigation presently administered by the Rawlings Group.

Consent Order Resolving NJ DOBI Objection to Receiver’s Motion to Retain Mazars USA, LLP as Accountant Dated August 17, 2023

On August 17, 2023, the Honorable Frank J. DeAngelis, J.S.C., in the Superior Court of New Jersey, Law Division of Morris County (the “**Court**”), issued the following consent order (the “**Order**”) resolving **NJ DOBI** objection to **Receiver**’s motion to retain **Mazars USA, LLP** (“**Mazars**”) as **APEMT**’s accountant. The **Court** having reviewed and considered the status of the matter and having been advised of the Parties’ consent to the relief sought ordered:

- The **Receiver** is authorized to retain **Mazars** as his accountant;
- The **Receiver** is authorized to tender monthly payments to **Mazars** in accordance with the other retained professionals as was ordered by the **Court** on March 17, 2023;

- **Mazars'** rate are subject to normal and ordinary course increase; and
- Procedures to notice and authorize monthly payments to **Mazars** were approved.

Case Management Call with State Superior Court September 26, 2024

On September 26, 2024, the Honorable Frank J. DeAngelis, J.S.C., conducted a Case Management call with any interested Parties in the matter pending before the Superior Court of New Jersey, Law Division of Morris County (the "**Court**").

The Honorable Frank J. DeAngelis, J.S.C. commended the efforts of the **Receiver** and his professional advisors, and he requested the **Receiver** continue to submit Interim Reports to the Court on ninety-day intervals.

Order Authorizing the Retention of Environmental Litigation Group, P.C. ("ELG") as Special Counsel to the Independent Receiver by the State Superior Court September 16, 2025

APEMT, as a self-funded welfare benefit plan, may have suffered significant monetary loss as a result of inflated insulin prices allegedly engineered by insulin manufacturers and pharmacy benefit managers from 2007 to December 31, 2021.

The Independent Receiver for **APEMT** sought leave from the Court to retain Environmental Litigation Group, P.C. ("**ELG**") as special counsel, in association with McManimon, Scotland & Baumann, LLC ("**MSB**") on a contingency basis, to investigate and pursue a potential recovery arising out of such claims. On the 16th of September 2025, the Court so ordered the retention of special counsel, **ELG**.

2.0 INSTRUCTIONS FROM FEDERAL BANKRUPTCY COURT

Motion to Expunge, Reduce, or Reclassify Proof of Claims in Bankruptcy Court

On February 22, 2023, the **APEMT** submitted a motion to the Bankruptcy Court (the “**Motion**”) which sought entry of an order affecting **APEMT** Claims status filed in 2022. Claim status for each claim were identified in the Court filing, Exhibit A, Schedules A through G (the “**Claims**”). The Honorable Michael B. Kaplan, Chief Judge, having reviewed the **Debtor’s/APEMT Motion** and any opposition thereto, ordered on April 5, 2023 that the **APEMT Claims** were expunged or modified as set forth below.

- **Table 1** shows the status of the original Proofs of Claims in accordance with the Bankruptcy Court instructions and settlements as of December 31, 2025.
- **Table 2** identifies the value of the remaining claims filed in the Bankruptcy Court which total \$ 4,230,104.06.

Table 1 Summary Proof of Claim Status as of December 31, 2025

Claim Treatment with Court Orders	# of Claims
Allowed as Filed	4
Paid	8
Expunged	54
Modified	1
Reduced & Recharacterized to GUC	8
Litigation	3
Expunged/General Unsecured Claim (“GUC”)	2
General Unsecured Claim	1
Total Court Approved POCs	81

Table 2 Summary Proof of Claim Liabilities as of 12/31/25

Total #1: Proof of Claim Dollars Owed (No BrainBuilders/Aetna POC)	\$652,107.06
Total #2 Proof of Claim Dollars + BrainBuilders/Aetna POC	\$4,230,104.06

3.0 COMMUNICATIONS WITH DEPARTMENT OF LABOR

Notice From U.S. Department of Labor

On November 21, 2023 the U.S. Department of Labor (“DOL”) sent to Brian W. Hofmeister, the Court appointed **Independent Receiver** for **APEMT**, a letter that the **DOL** had concluded its investigation of *The Affiliated Physicians & Employers Health Plan* (the “**Plan**”) pursuant to the Employee Retirement Income Security Act. In its letter, **DOL** planned to take no further action at this time against the **APEMT Plan**. **DOL** advised that its decision is binding on the **DOL** only, and does not prevent another individual or governmental agency from taking action.

Form Filings with U.S. Department of Labor

APEMT is current with their submission of the Form M-1 Annual Report filings with **DOL**. **APEMT** has also submitted to **DOL** the required Form 5500 reports through 2024 which identifies the **Plan’s** financial condition, investments and operations of the **Plan**.

4.0 STATUS OF LITIGATION

APEMT Litigation Against U.S. Treasury for Health Insurance Tax Payments (“HIT Tax”) for Tax Year 2020

By order, dated February 14, 2025, the Court granted **APEMT**’s motion for summary judgment to recover the 2020 HIT Payment, and directed the **IRS** to refund to **APEMT** the 2020 health insurance provider fee paid by **APEMT** to the **IRS**, totaling **\$3,174,786.20**. On September 30, 2025 **APEMT** received an IRS payment totaling \$4,174,672.76 which included the **APEMT HIT** payment, additional adjustment amounts and interest.

BrainBuilders Proof of Claim and Related QualCare Adversary Proceeding

On December 24, 2024, the Honorable Christine M. Gravelle, in the United States Bankruptcy Court for the District of New Jersey ordered the QualCare Adversary Proceeding was hereby dismissed and the Proof of Claim submitted by BrainBuilders was hereby deemed satisfied and paid. The order was limited to the QualCare Era Claims, and no further proceedings may be had as to either the QualCare Adversary Proceeding or the Proof of Claim (“**POC**”) with respect to QualCare on any claim that was or could have been asserted therein. The QualCare **POC** was deemed withdrawn and the BrainBuilders **POC** was deemed amended consistent with this Judgment and Order. The QualCare Era Claims in BrainBuilders **POC** are alleged to be \$3,054,362.62.

BrainBuilders Proof of Claim and Related Aetna Adversary Proceeding

On or about December 6, 2024 **APEMT** submitted to the United States Bankruptcy Court for the District of New Jersey a motion to expunge the Brainbuilders remaining **POC** that relates to provider claims submitted by BrainBuilders to Aetna Life Insurance Company as claim administrator for **APEMT**. The Aetna Era Claims in the BrainBuilders **POC** are alleged to be \$3,577,997.00. The Court held several hearings on **APEMT**’s motion to expunge the claim and the parties are awaiting a decision.

5.0 STATUS OTHER PROFESSIONAL LIABILITY CLAIMS

Settlement with Employers Association of New Jersey (“EANJ”)

On October 24, 2023, the United State Bankruptcy Court District of New Jersey entered an **Order** approving the settlement and compromise between the SubChapter V Trustee and Employers Association of New Jersey (“EANJ”) pursuant to 11 U.S.C. § 105 and FED. R. BANKR. P. 9019 and granting related relief. On or about November 9, 2023 Brian W. Hofmeister, the appointed **Receiver/Trustee** received a check for the settlement amount of \$220,000.

Settlement with Windsor Strategy Partners, LLC. (“Windsor”)

On August 5, 2024, the Honorable Frank J. DeAngelis, P.J., CH, entered an Order approving the Confidential Settlement Agreement and Release, and granting the related relief (“**Motion**”) between the **Independent Receiver** and **Windsor** pending in the Superior Court of New Jersey, Chancery Division, Morris County.

Settlement with William F. Megna, Esq., (“WFM”) and his contracted business entities Definitive Insurance Management Services (“Definitive”) and Megna Law Firm (“Megna Law”)

On August 5, 2024, the Honorable Frank. J. DeAngelis, P.J., CH, entered an Order approving the Confidential Settlement Agreement and Release, and granting related relief (“**Motion**”) between the **Independent Receiver** and **WFM, Definitive and Megna Law**, pending in the Superior Court of New Jersey, Chancery Division, Morris County.

Status Other Professional Liability Claims

After conducting an in depth investigation, the **Trustee/Receiver** and his professionals have determined that there are no actionable professional liability claims to pursue against Withum, Smith & Brown (“**Withum**”) who served as **APEMT’s** public accounting firm from 2016 through 2021.

6.0 CURRENT STATUS APEMT'S BANKRUPTCY PLAN

Extension of Aetna's Contracted Run-Off Services

Aetna Life Insurance Company ("Aetna") and APEMT came to an agreement to terminate the "SETTLEMENT AND MUTUAL RELEASE AGREEMENT" ("Settlement Agreement") entered by The United States Bankruptcy Court District Of New Jersey effective midnight December 31, 2025. Aetna agreed that:

- Aetna had completed all claim activities which included: processing credits, monthly reporting, settlement of litigated claims, and completed any provider refunds by midnight December 31, 2025.
- Aetna settled with APEMT any debits and/or credits in the APEMT Fund account by December 31, 2025.

Aetna and APEMT acknowledged that Aetna's subrogation service provider, would continue their efforts to collect and/or close out the remaining five (5) medical subrogation files with potential recoveries and provide quarterly updates to APEMT.

Claims Administration and Outstanding Claims To Be Paid or Adjusted

As reported above as of December 31, 2025, Aetna's Claim Report contains the following claim summary information as provided in Table 3:

- **Item 1:** Aggregate Liability Exposure is zero (0) and Claims Remaining for Adjudication \$0.
- **Item 2:** Debtor's Funds Available with Aetna for Claim Settlements (Medical and Rx) net total are zero (0) due to an Aetna claim close-out payment in December 2025.
- **Item 3:** No claims were presented to Aetna for re-processing as of December 31, 2022.

Table 3 Aetna Claim Report as of December 31, 2025

As of :	8/31/2025	9/30/2025	10/31/2025	11/30/2025	12/31/2025
Total Subscribers on the Plan:	0 EEs	0 EEs	0 EEs	0 EEs	0 EEs
Total Membership on the Plan :	0 Members	0 Members	0 Members	0 Members	0 Members
Aggregate Liability Exposure:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Outstanding Administration Fee Funding Requests:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Outstanding Medical Claims Funding Requests:	(\$5,466.25)	(\$5,462.56)	(\$20,196.48)	(\$23,277.60)	\$0.00
Pended Inventory Claims	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Newly Pended Submitted Claims	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Number of claims on hold	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

1

2

3

Aetna Claim Litigation Settlements with Providers

The **Receiver** has monitored the funds that have transferred in and out of the “**Aetna Medical Request Funding Line**” as identified in Table 3 above. Periodically, there were debits in the Fund Account which represent **Aetna’s** litigation settlements with providers on various payment issues. The **Receiver** had received monthly claims files to monitor **Aetna** settlement payments. The **Receiver’s** actuarial team periodically would load and review these files for accuracy.

Below are Tables 4 and 5 which summarize the completion of **APEMT’s** medical and prescription claim payments by year beginning January 1, 2020 through December 31, 2023. Table 4 are **Paid** Medical Claims and Table 5 are **Paid** Prescription Claims.

Table 4 Medical Payments January 1, 2020 – December 31, 2023

		Affiliated Physicians Employers Master Trust Total Medical Claims Paid On Behalf of Members				Claims Paid 1/1/2020 - 12/31/23
		Members Enrolled as of 1/1/2020	Claims Paid 2020	Claims Paid 2021	Claims Paid 2022	Claims Paid 2023
Medical Claims Paid for 3,961 Members		\$ 174,528,849	\$ 82,551,577	\$ 6,191,678	\$ (12,375)	\$ 263,259,729

Table 5 Prescription Payments January 1, 2020 – December 31, 2023

		Affiliated Physicians Employers Master Trust Total Rx Claims Paid On Behalf of Members				Prescriptions Paid 1/1/2020 - 12/31/23
		Members Enrolled as of 1/1/2020	Claims Paid 2020	Claims Paid 2021	Claims Paid 2022	Claims Paid 2023
Prescription Claims Paid for 3,961 Members		\$ 35,720,354	\$ 24,725,470	\$ 1,421,119	\$ -	\$ 61,866,943

Collection Activities for Overpayments, Rebates and Subrogated Medical and Prescription Claims

QualCare served as **APEMT’s** third party administrator (“**TPA**”) from January 1, 2004 through December 31, 2019. Since then QualCare has contracted with Conduent to review the **APEMT** claim files with specialized claims management software to determine whether there were claim overpayments and whether a claim can be subrogated due to an automobile, home or workers compensation accident. To date QualCare has collected **\$531,512.75** and remitted to **APEMT** **\$461,484.95** as shown in **Table 6**. As of December 31, 2025 there was only one (1) subrogation payment received from QualCare in 2025. Conduent has reported there is one (1) remaining claim in the subrogation process.

Table 6 QualCare Subrogation Collections as of December 31, 2025

# QualCare Transactions	Payment Date	Amount Collected	Net Payments APEMT
Four Cases	4/12/23	\$40,381.56	\$35,232.79
Express Scripts	5/5/23	\$22,045.49	\$22,045.49
Two Cases	5/12/23	\$15,749.17	\$13,741.11
One Case	7/14/23	\$50,564.33	\$44,846.41
Two Cases	8/10/23	\$11,141.29	\$12,769.38
One Case	9/13/23	\$1,500.00	\$1,308.75
One Case	10/18/23	\$163.46	\$109.52
One Case	11/10/23	\$15,000.00	\$13,087.48
One Case	12/18/23	\$163.46	\$109.52
One Case	1/3/24	\$3,214.74	\$2,804.87
One Case	1/11/24	\$1,552.11	\$1,354.20
One Case	3/6/24	\$163.46	\$109.52
One Case	5/13/24	\$163.46	\$109.52
Two Cases	6/4/24	\$161,000.00	\$140,472.47
Two Cases	7/19/24	\$31,644.15	\$27,487.35
One Case	9/8/24	\$8,725.00	\$8,725.00
One Case	9/24/24	\$50,741.07	\$34,271.58
One Case	5/13/25	\$117,600.00	\$102,899.99
APEMT Collection as of August 31, 2025		\$531,512.75	\$461,484.95

Aetna was contracted as **APEMT**'s third party administrator ("TPA"), from July 1, 2019 through December 31, 2025. **Aetna** has sub-contracted with its affiliate, *The Rawlings Group* ("**Rawlings**"), to assist in the collection of claim overpayments and whether a claim can be subrogated due to an automobile, home or workers compensation claim. **Table 7** identifies the **Aetna** collection activities through December 31, 2025.

Table 7 Aetna/Rawlings Subrogation Collection Summary as of December 31, 2025

Claim Activity 2023 - 2025 (Q4)	Subrogation Vendor	Number of Claims Open	Total Value of Open Claims	Number of Claims Paid	Net Amount Recovered	Claim Types
Subrogation Activities 2023	Rawlings	44	\$932,538.06	15	\$104,530.35	Assorted
Subrogation Activities 2024	Rawlings	28	\$840,866.79	7	\$31,615.51	Assorted
Subrogation Activities 2025 thru Q4	Rawlings	17	\$432,631.64	6	\$190,130.22	Assorted
Amount Recovered 2023 - 2025 (Q4)				28	\$326,276.08	Thru 12/31/25

As compensation for the overpayment collection services provided by **Aetna** and its sub-contractors, **APEMT** shall pay a percentage of the amount of the collected amount as described in the **Aetna** 2019 Service and Fee Schedule. **Rawlings** collection fees are 30% percent of documented savings related to each subrogated claim.

Status of “August 2021 Member Assessment” Collection as of December 31, 2025

On or about December 27, 2021 the Superior Court of New Jersey, Law Division issued a *Confirmation Order* approving the retention of Steven Mitnick and his law firm (“SM Law”), as *Special Collection Accounts Receivable Counsel* to address the outstanding receivables owed by Members for any outstanding health care fees and/or the **Plan** Assessment.

APEMT’s Court appointed **Independent Receiver** continues to oversee all collection activities pursued by **SM Law**. To organize its legal collection activities, **SM Law** has batched its litigation case filings by groups of thirty (30) Members based upon similar amounts owed. It is important to note *Demand Letters* were recently sent to Members that owed \$3,000 or less. **SM Law** has not pursued collection activities against those Members that:

- Paid their Assessment and/or any outstanding Health Fees owed or were current in an approved payment plan;
- Court Judgement in Member’s favor;
- Member’s business dissolved or bankrupt;
- Member’s business address unknown; and/or
- Member was deceased.

Table 8 identifies the successful collection efforts by SM Law on behalf of **APEMT**. As of December 31, 2025 approximately ninety-seven per cent (97%) of the **Plan’s** Assessment (\$24,679,934) has been collected. Highlighted in **Table 8** are the Assessment dollars that will not be collected which total approximately **\$810,714**. Therefore, the remaining **APEMT** Receivable to collect is approximately **\$90,841**. The Assessment collection records show many **APEMT** Members paid their Assessment using a monthly payment plan.

Table 8 “August 2021 Member Assessment” Collection as of December 31, 2025

APEMT Collection Activities	Count of Group Numbers	Sum of Health Plan ASSESSMENT	Sum Total Owed (Includes Any Past Due Balance + Assessment)	Sum of Total Receivable as of 2/28/25
COLLECTED BY ATTORNEY	295	\$1,663,387.03	\$1,552,987.89	\$0.51
COLLECTED BY ATTORNEY - LAWSUIT	406	\$2,694,873.29	\$2,808,333.60	\$1.05
COLLECTED BY ATTORNEY - LAWSUIT - JUDGMENT	274	\$1,782,569.02	\$1,994,070.55	\$552.70
COLLECTED BY ATTORNEY - LAWSUIT - JUDGMENT - PARTIAL PAYMENT	11	\$49,144.42	\$70,639.82	\$42,428.90
COLLECTED BY ATTORNEY - LAWSUIT - JUDGMENT - PAYMENT PLAN	8	\$54,180.33	\$73,936.63	\$39,261.46
COLLECTED BY ATTORNEY - LAWSUIT - PARTIAL PAYMENT	4	\$9,211.57	\$13,347.91	\$9,070.11
COLLECTED BY ATTORNEY - LAWSUIT - SETTLED	6	\$216,344.92	\$233,973.83	\$33,750.89
COLLECTED BY ATTORNEY - LAWSUIT - SETTLED - PAID IN FULL	21	\$265,425.41	\$311,957.60	\$0.00
COLLECTED BY ATTORNEY - LAWSUIT - SETTLED - PAYMENT PLAN	4	\$125,270.29	\$143,321.54	\$40,090.78
COLLECTED BY ATTORNEY - PAID LESS ATTORNEY FEE	16	\$93,535.92	\$91,779.34	\$12,579.93
COLLECTED BY ATTORNEY - PARTIAL PAYMENT MADE	11	\$51,577.59	\$49,171.37	\$14,424.72
COLLECTED BY ATTORNEY - PAYMENT PLAN	20	\$119,310.94	\$127,112.08	\$31,237.93
COLLECTED BY ATTORNEY - PAYMENT PLAN - PAID IN FULL	84	\$669,878.59	\$802,725.84	\$0.23
COLLECTED BY ATTORNEY - SECOND DEMAND LTR	13	\$15,303.07	\$14,117.96	\$0.00
COLLECTED BY ATTORNEY - SECOND DEMAND LTR - PARTIAL PAYMENT	2	\$4,980.26	\$2,397.86	\$1,992.86
COLLECTED BY ATTORNEY - SECOND DEMAND LTR - PAYMENT PLAN	1	\$1,514.24	\$1,514.24	\$1,014.54
COLLECTED BY ATTORNEY - SETTLED	1	\$9,740.81	\$16,333.54	\$8,041.77
COLLECTED BY ATTORNEY - SETTLED - PAYMENT PLAN	1	\$46,781.21	\$88,071.69	\$32,099.00
COLLECTED BY CONCORD	2,424	\$15,740,374.25	\$15,681,377.13	\$41.49
DO NOT PROCEED	6	\$15,362.32	\$13,385.84	\$6,999.30
JUDGMENT UNCOLLECTIBLE	54	\$330,662.68	\$374,106.05	\$372,631.58
UNPAID - JUDGMENT	27	\$85,709.50	\$97,304.32	\$97,304.32
UNPAID - LAWSUIT FILED	5	\$22,753.06	\$41,900.83	\$41,900.83
UNPAID - LAWSUIT FILED - CASE DISMISSED	1	\$11,805.30	\$11,805.30	\$11,805.30
UNPAID - LAWSUIT FILED - SETTLED	1	\$10,319.88	\$10,319.88	\$10,319.88
UNPAID - SETTLED	6	\$62,206.36	\$102,337.57	\$101,337.57
UNPAID - UNCOLLECTIBLE	75	\$146,058.51	\$168,415.24	\$168,415.24
UNPAID 2	272	\$381,653.22	\$352,306.57	\$363,297.80
GRAND TOTAL	4,049	\$24,679,933.99	\$25,249,052.02	\$1,440,600.69
Per Cent Assessment Collections		97%	Estimated Remaining Assessment to Collect	\$90,840.96
Amounts Considered Uncollectible				

APEMT 'Net Free' Cash Flow as of December 31, 2025

Table 9 identifies APEMT’s collections year-to-date for 2025. The Receiver and his professional team have collected approximately \$4,637,494 from January 1, 2025 through December 31, 2025. Detailed information identifying all sources of 2025 collections are provided in Table 9. The decrease in APEMT’s cash on hand is due to a Court Ordered Settlement for a litigated proof of claim paid out in January 2025. Future Assessment collections will be limited due to the Assessment balance available for collection which is less than \$100,000.

Table 9 2025 APEMT “YTD” Collections as of December 31, 2025

2025 APEMT "YTD" Collections Summary 1/1/25 to 12/31/25							
2025	Aetna Rx Credits	Aetna Wire Credits	Conduent & Shebell Subro Credits	SM Law Collections	Settlement Collections/ (Payments)	Expenses	
January	\$0	\$127,612	\$0	\$0	(\$300,000)	(\$119,280)	
February	\$0	(\$215,709)	\$0	\$134,969	\$0	(\$81,890)	
March	\$0	(\$81,553)	\$0	\$0	\$0	(\$104,407)	
April	\$0	\$364,099	\$43,750	\$0	\$0	(\$90,537)	
May	\$0	\$108	\$0	\$0	\$0	(\$118,477)	
June	\$0	(\$45,685)	\$102,900	\$0	\$0	(\$49,001)	
July	\$0	\$27,061	\$0	\$0	\$0	(\$31,731)	
August	\$0	(\$198)	\$0	\$0	\$0	(\$67,808)	
September	\$0	\$4	\$0	\$0	\$0	(\$45,687)	
October	\$0	(\$14,734)	\$0	\$0	\$4,174,673	(\$57,286)	
November	\$0	(\$3,081)	\$0	\$0	\$0	(\$51,153)	
December	\$0	\$23,278	\$0	\$0	\$0	(\$24,305)	
Totals	\$0	\$181,202	\$146,650	\$134,969	\$3,874,673	(\$841,561)	\$4,637,494

Table 10 identifies APEMT’s cash flow for 2025 and the cash on hand as of December 31, 2025 which totals \$8,004,957. In January 2025 there was a proof of claim settlement ordered by the Court.

Table 10 APEMT Cash Flow as of December 31, 2025

	6/30/25	7/31/25	8/31/25	9/30/25	10/31/25	11/30/25	12/31/25
Operating Bank Balance	\$ 289,340	\$ 225,537	\$ 151,281	\$ 98,364	\$ 32,935	\$ 30,446	\$ 234,572
Money Market Bank Balance	\$ 3,599,478	\$ 3,631,005	\$ 3,638,253	\$ 3,644,956	\$ 7,827,223	\$ 7,839,125	\$ 7,550,129
TD Bank Balance (State Held Funds)	\$ 218,071	\$ 218,617	\$ 219,117	\$ 219,708	\$ 220,257	\$ 219,691	\$ 220,256
Available Cash On Hand	\$ 4,106,890	\$ 4,075,159	\$ 4,008,650	\$ 3,963,028	\$ 8,080,416	\$ 8,089,263	\$ 8,004,957
Aetna Medical Funding Account	\$ 32,329	\$ 5,268	\$ 5,466	\$ 5,463	\$ 20,196	\$ 23,278	\$ -
NET FREE CASH FLOW	\$ 4,139,218	\$ 4,080,427	\$ 4,014,117	\$ 3,968,491	\$ 8,100,612	\$ 8,112,540	\$ 8,004,957

2021 APEMT (the “Plan”) Audited Financial Statement

On September 16, 2024 the public accounting firm, Forvis-Mazars, submitted to the Independent Receiver the audited statutory financial statements of The Affiliated Physicians & Employers Master Trust (the “**Plan**”), which comprise the statement of admitted assets, liabilities and surplus as of December 31 2021, and the statements of operations, capital and surplus, and cash flows for the year then ended, and the related notes to the statutory financial statements.

Forvis-Mazars stated the Plan’s financial statements present fairly, in all material respects, the admitted assets, liabilities, and surplus of the **Plan** as of December 31, 2021, and the results of its operations and its cash flows for the year then ended, in accordance with accounting practices prescribed or permitted by State of New Jersey Department of Banking and Insurance (“**NJDOBI**”). A copy of the **Plan**’s 2021 Audited Financial Statement can be obtained from the **Independent Receiver**’s office.

Additional Workers Compensation Subrogation Activities for Covid-19 Paid In Patient Claims

As of December 31, 2025, the Law Office of Shebell and Shebell reported to the **Receiver** the following regarding the ninety-two (92) inpatient Covid-19 claims they have been pursuing. Shebell and Shebell noted the following:

- A total of four (4) claims have been resolved with a negotiated payment.
- There are no claims pending settlement or any pending offers.
- Seventy (70) claims have been dismissed by the Courts due to:
 1. Four (4) claims were dismissed because the **APEMT** enrollee was able to demonstrate that Covid-19 was not contracted within the course of employment; and
 2. Sixty-six (66) were dismissed due to the inability to obtain the patient’s medical records from providers.
- Sixteen (16) claims remain open. They are in a pending status and the primary collection issue was the inability to obtain medical records from providers.
- There are six (6) claims in default with no Answer filed.
- There are two (2) claims with pending motions to dismiss for failure to provide medical records.

7.0 MEMBER/ENROLLEE OUTREACH TRACKING

The **Receiver** has his professional team track all Member and/or Enrollee communications with the **Plan**. The **Receiver** conducts a weekly conference call with his professional team. Issues raised by a Member or Enrollee are discussed at this team meeting. If additional information is needed, the **Receiver's** professional team will investigate and report the outcome to the **Receiver**. If the issue was a claim matter, **Aetna** was contacted to provide information such as claim payments/denial, explanation of benefits that were sent to the enrollee and/or provider, and whether a timely appeal was submitted for a claim. There are times the **Receiver** will respond directly to the Member and/or Enrollee.

Table 11 represents a listing of contacts, calls and/or emails, received from **APEMT** Members or Enrollees from January 1, 2025 through December 31, 2025.

Table 11 Member Outreach Tracking January 1, 2025 – December 31, 2025

Date	Communication (Call / Email)	Summary of Customer Service Communications
1/15/2025	Email	Repeat Email from Member (9/16 email) asking why do we continue to send out these advisory notices. We responded that the Member notices are required by DOBI and part of the Plan winddown per Court instructions.
2/14/2025	Email	Email from Member stating the whole thing is horse manure. We did not follow-up with a response.
2/17/2025	Email	Follow-up Email from Member(9/16 email) who continues to provide negative comments related to the Plan winddown. We did not follow-up with a response.
3/18/2025	Email	Follow-up Email from Member who continues to provide unprofessional comments and calls the winddown efforts a travesty. We did not follow-up with a response.
4/28/2025	Email	Email from Member asking to stop receiving notices from the Plan. Email instructions were sent to the Member on how to 'unsubscribe' from the Plan's distribution list.
5/15/2025	Email	Follow-up Email from Member referring to the notices as propaganda. Email instructions were sent to the Member on how to 'unsubscribe' from the Plan's distribution list.
6/16/2025	Email	Email from a Member who continues to respond with a note that the notice is nonsensical. He said the Plan is shut down and notices are ridiculous.
7/15/2025	Email	Email from same Member who responded on 5/15 & 6/16 who said the notices are ridiculous. Many times Member sends a nonsensical response.
8/18/2025	Email	Email from same Member that responded the past few months. He states the Plan closed due to excessive costs & thousands of dollars because no one monitored the 'criminal' activity of the Plan. He remarked that for three years, some individual is sending out these ridiculous emails accomplishing virtually nothing.
9/16/2025	Email	Email from same Member who has emailed the past few months. He included a picture in the email with "Waste" as the title.
9/18/2025	Call	Call from Member who has filed a Proof of Claim for health care fees paid in excess of Plan fees. Made an inquiry when will their Proof of Claim be processed for payment.
10/16/2025	Email	The same Member from 9/16/25 sent an email with a picture with a "Tragic Image".
11/17/2025	Email	The same Member who has emailed the past few months sent a picture with an "Overflowing Dumpster" and "DOGE" written on the side of Garbage Truck Image.
12/15/2025	Email	The same Member who has emailed the past few month sent a picture that says "if you trust the government, you don't know history" with an Image.
12/15/2025	Email	Email from Member asking "How long will this go on?" Responded to Member with information regarding the status of the estate.

Table 12 identifies the Constant Contact Data regarding the Professional Invoice Notices which are posted on **APEMT** website on the 15th of each month, and the number of Constant Contact emails which were sent and opened by the **APEMT** Members . The data reflects that over fifty (50%) of **APEMT's** membership continue to open the monthly Constant Contact email notice. For the year less than ten (10) Members have disenrolled from the email notices.

**Table 12 Professional Invoice Email Notice Data Via Constant Contact Campaign
January 1, 2025 – December 31, 2025**

Constant Contact Email Campaign	Emails Sent	Emails Resent	Email Successful Delivery	Emails Opened	DeskTop/ Phone Open Rate	Emails Not Opened
Professional Invoice Notice 6/15/25	3,311	1,583	3,009	1,537	1.4%	1,472
Professional Invoice Notice 7/15/25	3,294	1,530	2,981	1,569	60%/40%	1,412
Professional Invoice Notice 8/15/25	3,282	1,499	2,967	1,592	59%/41%	1,375
Professional Invoice Notice 9/15/25	4,802	1,538	4,413	1,710	81%/19%	2,703
Professional Invoice Notice 10/15/25	4,811	1,560	4,407	1,721	81%/19%	1,255
Professional Invoice Notice 11/15/25	4,567	1,293	4,195	1,817	88%/12%	2,378
Professional Invoice Notice 12/15/25	4,644	1,426	4,301	1,473	71%/29%	1,234
Note: Fewer than 10 Members have disenrolled from the Email Notice.						

Respectfully submitted,

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

Dated: February 2, 2026