

HEALTH REPUBLIC INSURANCE COMPANY in LIQUIDATION ("HRI")

Vendor Expenses on a Modified Cash Basis

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

Modified Cash Basis Expenses (Note 1)

Expense Category	Vendor	Description of Expense	January	February	March	April	May	June	July	August	Cumulative Since Date of Liquidation	
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	66,291	80,034	1,712,030	
	Rackspace US, inc.	Cloud storage	19,462	19,462	19,539		19,538	39,076	Note 5	19,502	296,368	
	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	Note 7	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	9,274	28,546	
	IBM Corporation									18,500	18,500	
		Total Administrative Expenses	149,516	134,140	212,329	138,091	173,175	128,620	209,991	91,021	3,006,796	
Consulting Expenses:												
	Various Employees	HRI Employees Salaries including tax and processing fees	-							-	146,123	
	Avarez & Marsal	Consulting services rendered in the liquidation	-	60,069	61,712	55,466	16,112	17,856	-	142,989	Note 8	1,958,309
	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	38,235	85,681	87,736	81,641	28,899	17,856	-	142,989	2,303,896	
Legal Expenses:												
	Finsbury	Legal support	-								11,145	
	Dentons	Legal support	-								10,542	
	Transperact	Translation services for court documents	-	330							2,209	
	Weil Gotshal	Legal support	-	139,305			358,566				1,248,687	
	Clarick Gueron Reisbaum, LLP	Legal support					4,044	63,419	45,031	23,326	135,819	
	Fox Rothschild LLC	Legal support								674	674	
	Weiner Law Group, LLP	Legal support					728			1,013	1,741	
		Total Legal Expenses	-	139,635	-	-	363,358	63,419	45,031	25,013	1,410,818	
Professional Fees:												
	Pomco	Claims processing	363,636	Note 2				147,664	Note 6	22,200	3,450	1,809,676
	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					34,000	102,000
		Total Professional Fees	444,581	-	45,650	72,735	135,000	147,664	47,200	37,450	2,628,050	
		Grand Total Expenses May 11, 2016 to August 31, 2017	\$ 632,332	\$ 359,456	\$ 345,715	\$ 292,467	\$ 700,432	\$ 352,558	\$ 302,222	\$ 296,473	\$ 9,349,559	

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.

NOTE 8: Represents a final settlement of outstanding obligations to Avarez & Marsal.