

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

JOEL ARIO, INSURANCE COMMISSIONER :  
OF THE COMMONWEALTH OF :  
PENNSYLVANIA, :

Plaintiff, :

v. :

DOCKET NO. 4 M.D. 2009

AMERICAN NETWORK :  
INSURANCE COMPANY, :

Defendant. :

**ORDER**

AND NOW, this \_\_\_\_\_ day of \_\_\_\_\_, 2010, upon consideration of the uncontested Motion of the Rehabilitator for Consolidation, it is hereby ORDERED that this proceeding is CONSOLIDATED with Ario v. Penn Treaty Network America Insurance Company, No. 5 M.D. 2009. It is further ORDERED that the hearing scheduled for October 25, 2010 on the liquidation petition filed by the Rehabilitator in No. 5 M.D. 2009 (the "PTNA liquidation petition") shall address both the PTNA liquidation petition and the Rehabilitator's Petition for Liquidation in this proceeding. All conferences and deadlines set by the Court concerning the PTNA liquidation petition shall also apply to this proceeding.

BY THE COURT:

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J.

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JOEL ARIO, INSURANCE COMMISSIONER :  
OF THE COMMONWEALTH OF :  
PENNSYLVANIA, :

Plaintiff, :

v. :

AMERICAN NETWORK :  
INSURANCE COMPANY, :

Defendant. :

DOCKET NO. 4 M.D. 2009

MOTION OF THE REHABILITATOR FOR CONSOLIDATION

Petitioner Joel Ario, Insurance Commissioner of the Commonwealth of Pennsylvania, in his capacity as Rehabilitator of Penn Treaty Network America Insurance Company and American Network Insurance Company (the "Rehabilitator"), hereby moves pursuant to Pa.R.A.P. 106 and 513 and Pa.R.Civ. P. 213(a), for consolidation of this proceeding with Ario v. Penn Treaty Network America Insurance Company, No. 5 M.D. 2009 and in support thereof states as follows:

1. This matter is a rehabilitation proceeding concerning American Network Insurance Company ("ANIC"). ANIC is a wholly owned subsidiary of Penn Treaty Network America Insurance Company ("PTNA").
2. PTNA and ANIC were both placed in rehabilitation by this Court on the same date, January 6, 2009. The PTNA rehabilitation proceeding is docketed at No. 5 M.D. 2009.
3. The Rehabilitator has filed petitions for liquidation of PTNA and ANIC in their respective proceedings.

4. Penn Treaty American Corporation (“PTAC”), PTNA’s parent corporation, and Eugene Woznicki (“Woznicki”), the Chairman of the Board of Directors of PTAC, PTNA and ANIC, moved to intervene and were granted permission to intervene in both proceedings to oppose the liquidation petitions.

5. PTAC and Woznicki are the only parties to this matter, the ANIC proceeding, other than the Rehabilitator. PTAC and Woznicki are the only parties to the liquidation petition in the PTNA proceeding, No. 5 M.D. 2009, other than the Rehabilitator.

6. This Court has scheduled a hearing on the liquidation petition for October 25, 2010 in the PTNA proceeding.

7. The Rehabilitator has provided information to PTAC and Woznicki concerning both PTNA and ANIC on the same schedule and the meetings between the Rehabilitator and his actuaries and PTAC and Woznicki and their actuaries have addressed both PTNA and ANIC. The Rehabilitator and PTAC and Woznicki have engaged in discovery concerning both the PTNA and ANIC liquidation petitions on the same schedule.

8. The witnesses whom the Rehabilitator and PTAC and Woznicki intend to call to testify at the liquidation hearing are the same for both the PTNA and ANIC liquidation petitions.

9. The evidence on the PTNA and ANIC liquidation petitions will overlap significantly because PTNA’s and ANIC’s operations are heavily intertwined.

10. The PTNA and ANIC liquidations raise and involve the same legal issues.

11. Given that the parties, witnesses, and legal issues are the same for the PTNA and ANIC liquidation petitions and the evidence on the two petitions significantly overlaps, consolidation of these two proceedings and holding one hearing on both the PTNA and ANIC liquidation petitions is in the interest of judicial economy and will avoid unnecessary costs and delays to the Court and parties.

12. Counsel for Intervenors PTAC and Woznicki, the only other parties to these liquidation petitions, have advised counsel for the Rehabilitator that PTAC and Woznicki consent to consolidation of the PTNA and ANIC proceedings and agree that both the PTNA and ANIC liquidation petitions should be addressed at the hearing which this Court has scheduled in the PTNA proceedings.

WHEREFORE, the Rehabilitator respectfully requests that this Court consolidate this case, No. 4 M.D. 2009, with the PTNA proceeding, No. 5 M.D. 2009, and that the liquidation hearing scheduled for October 25, 2010 in No. 5 M.D. 2009 address both the PTNA and ANIC liquidation petitions.

Respectfully submitted,



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Counsel for Plaintiff,  
JOEL ARIO, Insurance Commissioner of the  
Commonwealth of Pennsylvania as Rehabilitator of  
PENN TREATY NETWORK AMERICA  
INSURANCE COMPANY and AMERICAN  
NETWORK INSURANCE COMPANY

**CERTIFICATE OF SERVICE**

I, Virginia Lynn Hogben, hereby certify that on August 10, 2010 I served the foregoing Motion of the Rehabilitator for Consolidation on Intervenor Penn Treaty American Corporation and Eugene J. Woznicki by the following means:

**By U.S. First-Class Mail and Electronic Mail:**

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