

September 3, 2010

RECEIVED

Ronald Pastuch, Holding Company Manager
Office of the Insurance Commissioner
State of Washington
5000 Capitol Blvd.,
Tumwater, WA 98501

SEP 08 2010
INSURANCE COMMISSIONER
COMPANY SUPERVISION

RE: PeaceHealth's acquisition of control of
Columbia United Providers, a domestic health
carrier

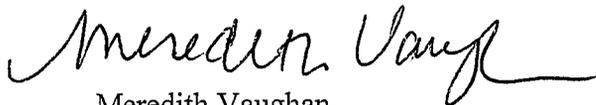
Dear Mr. Pastuch:

Consistent with RCW 48.31C.030 and WAC 284-18A, enclosed please find two completed copies of Form A related to PeaceHealth's intended acquisition of control of Columbia United Providers, a domestic health carrier.

As our representative indicated to you last week, we will be providing under separate cover the requested biographical information, in the NAIC biographical affidavit format, for each of the PeaceHealth Board of Directors. This information will be provided by September 17, 2010. PeaceHealth appreciates the OIC's understanding of the logistics of coordinating the required Board signatures during this time of year, and we also appreciate the OIC's willingness to commence the 60-day timeline for determining the completeness of the statement while this information is still outstanding.

Please feel free to contact me at (425) 649-3885 with any questions. We have appreciated your responsiveness as we developed Form A, and we look forward to working with you in the coming weeks.

Sincerely,



Meredith Vaughan
System Director, Planning and Strategy

WAC 284-18A-910
Form A.

No agency filings affecting this section since 2003

FORM A	
STATEMENT REGARDING THE	
ACQUISITION OF CONTROL OF A DOMESTIC HEALTH CARRIER	
Columbia United Providers Inc. Name of Domestic Health Carrier	
BY	
PeaceHealth Name of Acquiring Person (Applicant)	
Filed with the Insurance Commissioner of the State of Washington	
Dated: September 3, 2010	
Name, Title, Address, and Telephone Number of Individual to Whom Notices and Correspondence Concerning this Statement Should be Addressed:	
Meredith Vaughan, Director, Strategy and Planning	
14432 SE Eastgate Way, Suite 300	
Bellevue, WA 98007-6412	
(425) 649-3885	

ITEM 1 HEALTH CARRIER AND METHOD OF ACQUISITION

State the name and address of the domestic health carrier to which this application relates and a brief description of how control is to be acquired.

The name and address of the domestic carrier to which this application relates is:

Columbia United Providers Inc.
19120 SE 34th Street
Suite 201
Vancouver, WA 98683-1430

Columbia United Providers, Inc (CUP) is currently owned 89.5% by Southwest Washington Health System (SWHS), a regional network of facilities which includes Southwest Washington Medical Center, medical practices, and the health plan entity. SWHS is a Washington nonprofit corporation and an organization described in Section 501(c) (3) of the Internal Revenue Code of 1986, as amended (the "Code") and is exempt from federal income tax under Section 509(a) of the Code. The remaining 10.5% of CUP is owned by various physicians in the Vancouver, Clark County area.

The respective Boards of PeaceHealth and SWHS approved and executed a Letter of Intent (LOI) in March, 2010 to commence due diligence and to negotiate a Definitive Agreement for a Proposed Affiliation, subject to regulatory approvals. The Proposed Affiliation contemplates, that upon closing, PeaceHealth will become the sole member of the SWHS. As further described below, PeaceHealth is also a Washington non profit corporation exempt from federal income taxation under the Code.

SWHS is neither selling SWHS nor any of its subsidiaries to PeaceHealth, nor is PeaceHealth purchasing SWHS or any of its affiliates. CUP will continue to operate without disruption post-closing. SWHS will continue to be the owner of CUP stock. PeaceHealth will not pay any funds to any party in exchange for becoming the sole corporate member of SWHS.

ITEM 2 IDENTITY AND BACKGROUND OF THE APPLICANT

(a) State the name and address of the applicant seeking to acquire control over the health carrier.

The applicant seeking to acquire control of Southwest Washington Health System is:

PeaceHealth
14432 SE Eastgate Way
Suite 300
Bellevue, WA 98007-6412

(b) If the applicant is not an individual, state the nature of its business operations for the past five years or for such lesser period as such person and any predecessors have been in existence. Briefly describe the business intended to be done by the applicant and the applicant's subsidiaries.

PeaceHealth (which until 1994 operated under the name of the Sisters of St. Joseph of Peace, Health & Hospital Services) has provided healthcare services in the Pacific Northwest since 1890. PeaceHealth is a Washington nonprofit corporation and an organization described in Section 501(c) (3) of the Internal Revenue Code of 1986, as amended (the "Code") and is exempt from federal income tax under Section 509(a) of the Code.

PeaceHealth's mission is to carry on the healing mission of Jesus Christ by promoting personal and community health, relieving pain and suffering, and treating each person in a loving and caring way. To this end, PeaceHealth operates 7 acute care hospitals, related medical groups, a regional reference laboratory, health care joint ventures, and other health care services in southeast Alaska, northwest Washington, southwest Washington/northwest Oregon, Oregon's Willamette Valley, and Oregon's central coast. System headquarters are in Bellevue, WA. A current organizational chart for PeaceHealth is included as Attachment 1.

Our business model focuses on the rigorous pursuit of exceptional medicine, and we have a reputation for being an early adopter of systems and structures that promote quality health care. Examples include:

Focus on outcomes, patient safety and transparency: We hold ourselves accountable for measures of process and outcomes. We have a strong focus on patient safety, in both the inpatient and clinic environment. We are committed to sharing our results, both internally and externally.

Investment in information technology (IT) / Community Health Record (CHR): In 1994, PeaceHealth began the process of developing of an electronic medical record, and we have been recognized as a national leader in the integration of information technology into clinical care.

Commitment to disease management and evidence-based medicine: PeaceHealth is an innovator in the implementation of models of care and protocols based on the best evidence.

Collaborative relationships with community-based organizations: Cooperation, between providers, across settings of care, and with patients, is critical to PeaceHealth's vision of seamless care. Our patients want and deserve a system that provides easy flow within and across the continuum of care.

Becoming the sole member of SWHS, which owns 89.5% of the stock of CUP, will not alter our focus on advancing health care in the Northwest. In fact, it will serve to expand the scope of our service area, and because we work to improve the health of the communities (and in particular to serve the poor and the vulnerable) in which we operate, more lives will benefit.

- (c) **Furnish a chart or listing clearly presenting the identities of the inter-relationships among the applicant and all affiliates of the applicant. No affiliate need be identified if its total assets are equal to less than one-half of one percent of the total assets of the ultimate controlling person affiliated with the applicant. Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing, indicate the type of organization (e.g. corporation, trust, partnership) and the state or other jurisdiction of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, indicate which person, and set forth the title of the court, nature of proceedings and the date when commenced.**

The post-affiliation organizational chart of PeaceHealth is included as Attachment 2. As the chart illustrates, PeaceHealth has only two affiliates: Health Ventures and Whatcom Health Information Network ("HIInet"). Health Ventures is a Washington State non-profit corporation in which PeaceHealth is the only member corporation and HIInet is a Washington State limited liability company in which PeaceHealth is the sole member. As a Washington non profit, tax-exempt entity, PeaceHealth has no voting securities. PeaceHealth is currently governed by a self-perpetuating Board of Directors of 13 to 16 members, at least five of whom must be members of the Congregation of Sisters of St. Joseph of Peace in accordance with PeaceHealth's Articles of Incorporation. See Items 3 and 6 below. PeaceHealth, the applicant, will become the sole member of SWHS, which in turn, will continue to own 89.5% of CUP's common capital stock. Upon closing, the remaining 10.5% of CUP shares will continue to be owned by various physician groups in the Vancouver, Clark County area.

There are no court proceedings involving a reorganization or liquidation pending with respect to PeaceHealth or any of its affiliates.

ITEM 3 IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT

Furnish biographical information for (1) the applicant if (s)he is an individual or (2) all persons who are directors, executive officers or owners of ten percent or more of the voting securities of the applicant if the applicant is not an individual. Unless otherwise directed by the commissioner, the biographical information shall contain the information required by and be submitted in the format of the current NAIC Biographical Affidavit form.

The Directors of PeaceHealth are listed below, and their biographical information, in the NAIC biographical affidavit format, is included as Attachment 3.

Sr. Andrea Nenzel
Dieter Morich, M.D.
Sr. Monica Heeran
Terry Brandon

Norah Clarke
Joe Gonyea, II
Tom Grove
Sr. Anne Hayes
Carol Sheridan
Sr. Margaret Dimond
Sr. Eleanor Gilmore
Sr. Kathleen Pruitt
Roland Trenouth, MD

The current Officers of the PeaceHealth Board of Directors are as below:

Alan Yordy, President
Sr. Andrea Nenzel, First Vice President
Sr Monica Heeran, Secretary
Terry Brandon, Treasurer

ITEM 4 NATURE, SOURCE AND AMOUNT OF CONSIDERATION

- (a) Describe the nature, source and amount of funds or other considerations used or to be used in effecting the merger or other acquisition of control. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes and security arrangements relating thereto.**

No consideration will be paid (or borrowed) for PeaceHealth becoming the sole corporate member of SWHS.

- (b) Explain the criteria used in determining the nature and amount of such consideration.**

N/A

- (c) If the source of the consideration is a loan made in the lender's ordinary course of business and if the applicant wishes the identity of the lender to remain confidential, he or she must specifically request that the identity be kept confidential.**

N/A

ITEM 5 FUTURE PLANS OF HEALTH CARRIER

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend, to liquidate such health carrier, to sell its assets to or merge it with any person or persons or to make any other material change in its business operations or corporate structure or management.

PeaceHealth does not have any plans to declare an extraordinary dividend, to liquidate CUP, to sell its assets or to make any material changes to the business operations or management of CUP.

ITEM 6 NONPROFIT HEALTH CARRIERS

If the health carrier or person controlling the health carrier being acquired is a nonprofit corporation:

- (a) Describe who the members of the corporation or person controlling the health carrier are and how they become or are selected as members of the corporation and how this may change as a result of the acquisition.**

- (b) Describe who has the authority or power to elect or appoint the board of directors, trustees or other governing body of the health carrier or person controlling the health carrier and how this may change as a result of the acquisition.**

PeaceHealth is a non-member non-profit corporation and at closing will become the sole member of SWHS. The members of PeaceHealth's Board of Directors were described in response to Item #3, above. Upon closing, SWHS will nominate and PeaceHealth will appoint members of SWHS Board of Directors.

The size of the PeaceHealth Board of Directors, pursuant to its Articles of Incorporation, can range between 13 and 16 members. It is currently composed of 13 Directors, who receive no compensation for serving as directors. It is a self-perpetuating board that elects its own members. Employees of PeaceHealth are ineligible to serve on its Board of Directors.

The PeaceHealth Board of Directors is currently composed of six community, medical, and business leaders and seven Congregation of Sisters of St. Joseph of Peace (CSJP) leaders. Five seats are reserved for CSJP leaders. Two of the six community seats are currently held by physicians. Four of the six community seats are held by individuals who also serve on one of PeaceHealth's Regional Governing boards.

All members of the PeaceHealth Board of Directors have the fiduciary duty to make decisions in the best interest of the entire organization, even though they may come from various regions.

If the proposed Affiliation is approved, two currently vacant seats on the PeaceHealth Board would be filled from among nominations from the current SWHS board.

There will be no other changes in the PeaceHealth Board nomination or selection process as a result of the proposed Affiliation. The process for the election of the CUP Board of Directors is delineated in its bylaws, which will not change at closing.

ITEM 7 FOR-PROFIT HEALTH CARRIERS

If the health carrier being acquired is a for-profit person:

- (a) State the number of shares of the health carrier's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire, and the terms of the offer, request, invitation, agreement or acquisition, and a statement as to the method by which the fairness of the proposal was determined.**
- (b) State the amount of each class of any voting security of the health carrier which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3.**
- (c) Give a full description of any contracts, arrangements or understandings with respect to any voting security of the health carrier in which the applicant, its affiliates or any person listed in Item 3 is involved, including, but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom such contracts, arrangements or understandings have been entered into.**
- (d) Describe any purchases of any voting securities of the health carrier by the applicant, its affiliates or any person listed in Item 3 during the twelve calendar months preceding the filing of this statement. Include in such description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefore. State whether any such shares so purchased are hypothecated.**
- (e) Describe any recommendations to purchase any voting security of the health carrier made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the twelve calendar months preceding the filing of this statement.**
- (f) Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the health carrier for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.**

This question is not applicable because the ownership of CUP will remain the same after the proposed Affiliation, with SWHS continuing to own 89.5% of CUP.

ITEM 8 FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial statements and exhibits shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.
- (b) The financial statements shall include the annual financial statements of the persons identified in Item 2(c) for the preceding five fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors have been in existence), and similar information covering the period from the end of such person's last fiscal year, if such information is available. Such statements may be prepared on either an individual basis, or, unless the commissioner otherwise requires, on a consolidated basis if such consolidated statements are prepared in the usual course of business.

The annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles. If the applicant is a health carrier or an insurer, the annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the applicant and the results of its operations for the year then ended, in conformity with statutory accounting principles as set forth in Titles 48 RCW and 284 WAC.

Audited financial statements for PeaceHealth for the preceding 5 years are included as Attachment 4.

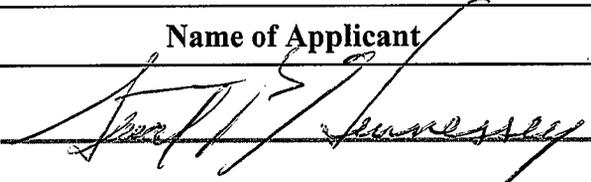
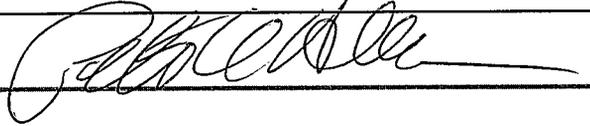
- (c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the health carrier and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory or management contracts concerning the health carrier, annual reports to the stockholders of the health carrier and the applicant for the last two fiscal years, and any additional documents or papers required by Form A or WAC 284-18A-300 or 284-18A-320.

Although PeaceHealth has not made any tender or exchange offers with respect to CUP, it is our understanding that in May 2010, CUP's Board authorized an offer to repurchase shares from stockholders owning a small number of shares and as a result, six shareholders owning one share each were redeemed at a purchase price of \$99/share.

Audited annual financial statements for CUP are included as Attachment 5.

As a non-profit, tax exempt entity, PeaceHealth does not have stockholders and does not produce an annual report to stockholders. Copies of its audited financial statements were included as Attachment 4.

ITEM 9 SIGNATURE AND CERTIFICATION

Signature and certification required as follows:		
SIGNATURE		
Pursuant to the requirements of RCW 48.31C.030 PeaceHealth has caused this application to be duly signed on its behalf in the City of Bellevue and State of Washington on the 3rd day of September, 2010		
<p>(SEAL)</p> 		
PeaceHealth		
Name of Applicant		
BY		
	Stuart P. Hennessey	Senior Vice President and Assistant Secretary
Attest:		
		
(Signature of Officer)		
Senior Vice President		
CERTIFICATION		
The undersigned deposes and says that he has duly executed the attached application		

dated 3rd day of September, 2010, for and on behalf of PeaceHealth; that he is the Senior Vice President and Assistant Secretary of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents, and that the facts therein set forth are true to the best of his knowledge, information and belief.

	
Stuart P. Hennessey	

Attachment 1
PeaceHealth Current Organizational Chart

Attachment 2
PeaceHealth Post Affiliation Organizational Chart

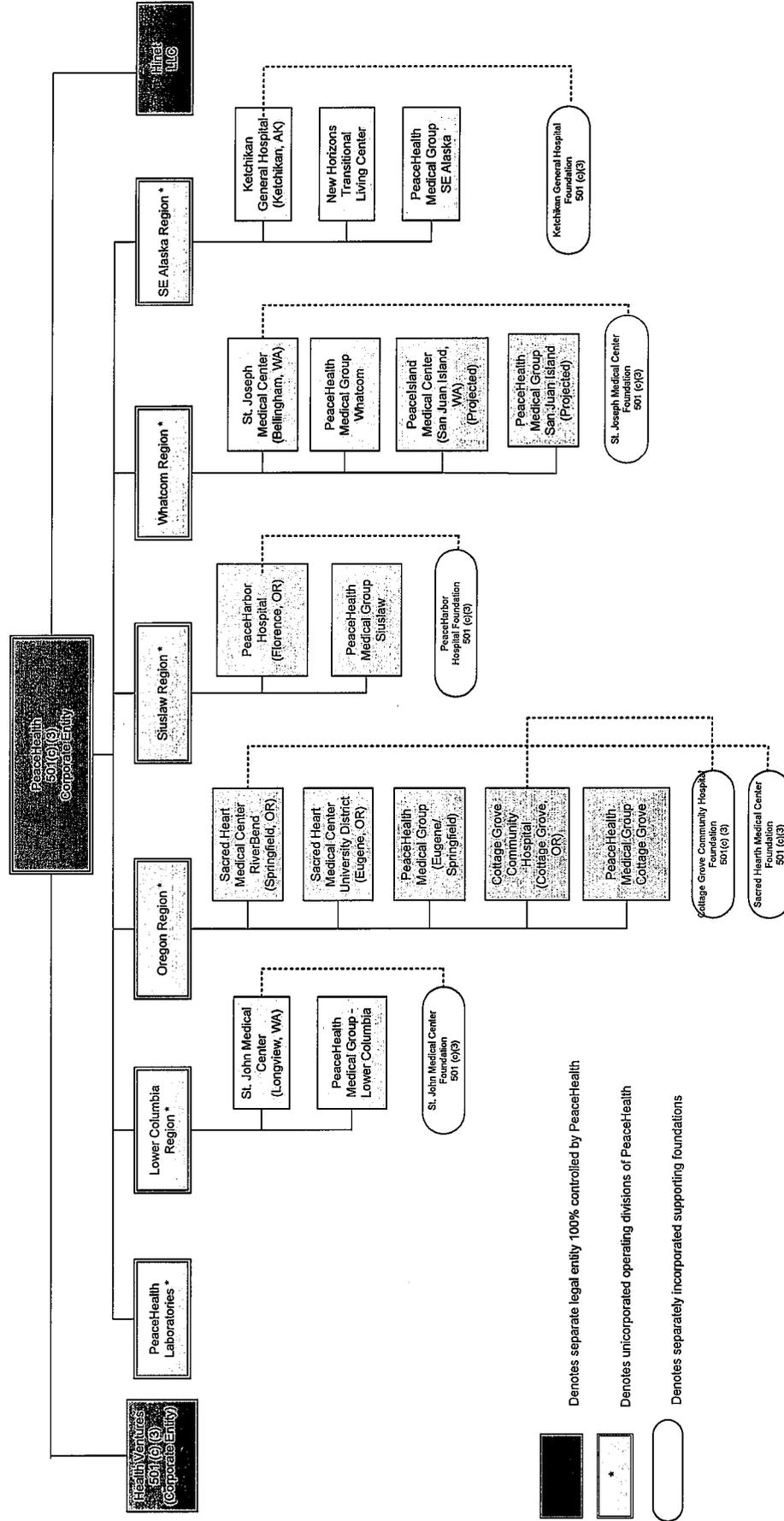
Attachment 3
13 NAIC Biographical Forms – One for Each PeaceHealth Board Member
*(*will be provided under separate cover by September 17, 2010)*

Attachment 4
PeaceHealth Audited Financials
2005-2009

Attachment 5
CUP Audited Financials
2008-2009

Attachment 1

PeaceHealth System Entity Chart



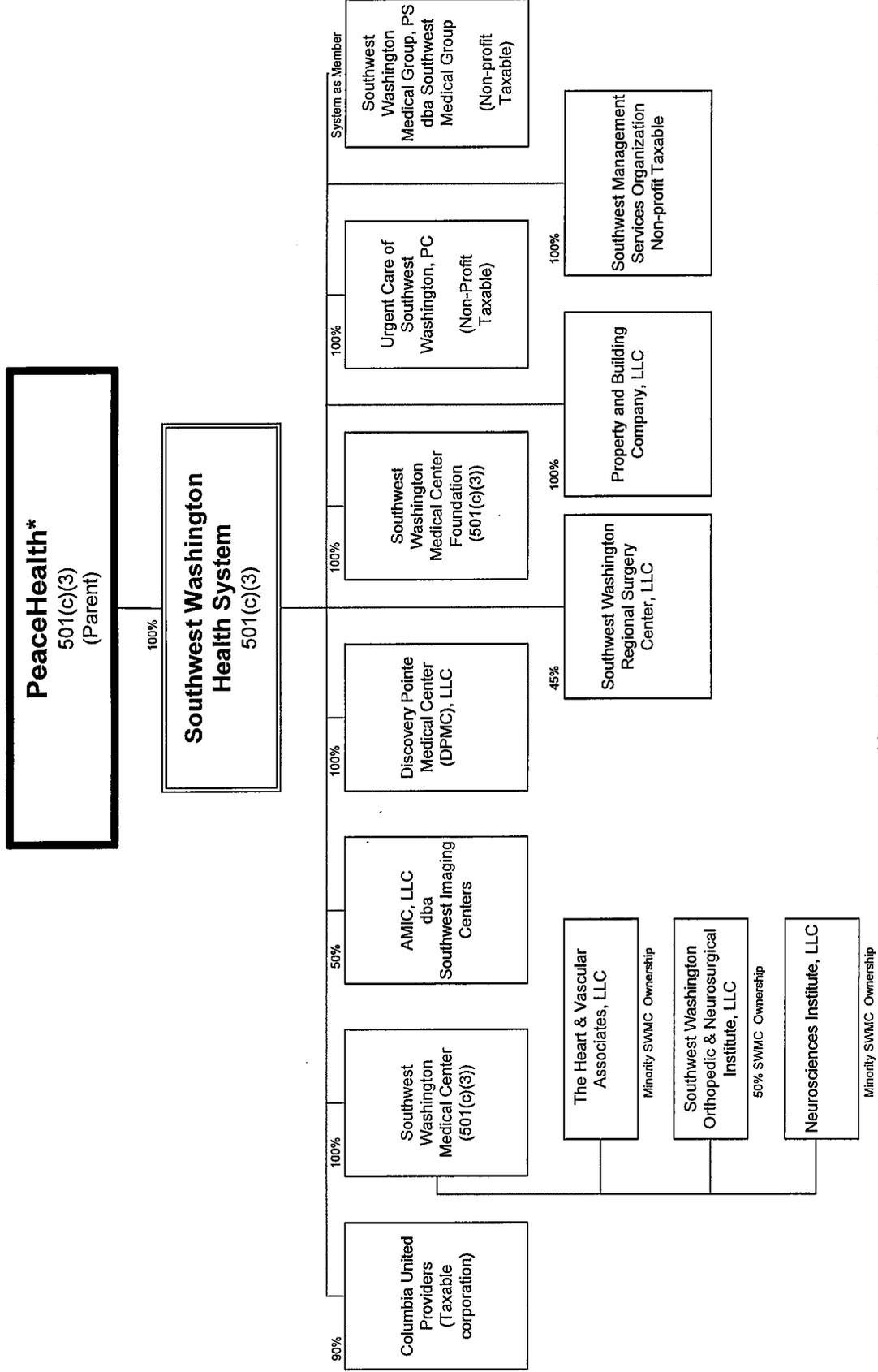
Denotes separate legal entity 100% controlled by PeaceHealth

Denotes unincorporated operating divisions of PeaceHealth

Denotes separately incorporated supporting foundations

Attachment 2

Combined
PeaceHealth/Southwest Washington Health System Organization Chart



*See Attachment_1 for the existing PeaceHealth entities and operating divisions

Attachment 3

**Will be provided under separate cover by September 17, 2010*

RECEIVED



PeaceHealth

SEP 21 2010

**INSURANCE COMMISSIONER
COMPANY SUPERVISION**

September 20, 2010

Ronald Pastuch, Holding Company Manager
Office of the Insurance Commissioner
State of Washington
5000 Capitol Blvd.,
Tumwater, WA 98501

RE: Supplemental Attachment Due to complete
Form A for PeaceHealth's acquisition of control of
Columbia United Providers, a domestic health
carrier

Dear Mr. Pastuch:

As promised, enclosed you will find the requested biographical information, in the NAIC biographical affidavit format, for each of the PeaceHealth Board of Directors. Again, PeaceHealth appreciates the OIC's understanding of the logistics of coordinating the required Board signatures and your willingness to commence the 60-day timeline for determining the completeness of the statement while the information was still outstanding.

Please feel free to contact me at (425) 649-3885 with any questions. We look forward to working with you in the coming weeks.

Sincerely,

A handwritten signature in cursive script, appearing to read "Meredith Vaughan".

Meredith Vaughan
System Director, Planning and Strategy

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names). _____

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

- 1. Affiant's Full Name (Initials Not Acceptable). Terry Trumane Brandon
- 2. a. Are you a citizen of the United States? Yes
- b. Are you a citizen of any other country, if so, what country? No
- 3. Affiant's Occupation or Profession. Retired
- 4. Affiant's business address. None
- Business telephone. None

5. Education and Training:

<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>	
<u>Washington State University</u>	<u>Pullman, WA</u>	<u>1962-1966</u>	<u>BA</u>	
<u>Graduate Studies:</u>	<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
<u>None</u>				

<u>Other Training: Name</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree/Certification Obtained</u>
<u>None</u>			

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

6. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>
<u>None</u>			

7. Present or proposed position with the applicant entity. Trustee

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) 1986 - 2006 ^(Retired) Employer's Name Longview Fibre Company
 Address P.O. Box 639 City Longview State/Province WA
 Country USA Postal Code 98632 Phone 360 425-1550 Offices/Positions Held Asst. Sec./Treasurer
 Supervisor / Contact None (company sold after I retired, supervisors gone)

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____

Address _____ City _____ State/Province _____

Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____

Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____

Address _____ City _____ State/Province _____

Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____

Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____

Address _____ City _____ State/Province _____

Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____

Supervisor / Contact _____

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

9. a. Have you ever been in a position which required a fidelity bond? NO If any claims were made on the bond, give details. _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. NO

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

None

Organization/Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

Organization /Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency? NO

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action? NO

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? NO

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? NO

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses? NO

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? NO
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? NONE
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? NONE
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? NO
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? NO

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

NONE

12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. NONE

If any of the stock is pledged or hypothecated in any way, give details. NONE

13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities. NO

If any of the shares of stock are pledged or hypothecated in any way, give details. NONE

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

14. Have you ever been adjudged a bankrupt? NO If yes, provide details _____

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

- a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? Possibly (large company with many mtg. sites. could have had a permit denied.)
- b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? NOT TO MY KNOWLEDGE (see answer to a. above)
- c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? NOT TO MY KNOWLEDGE (see above)

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this 9th day of Sept 2010 at Vancouver WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Terry T. Braade
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By

Terry T. Braade, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT
Supplemental Personal Information

(Print or Type)

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

Full Name, Address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

1. Affiant's Full Name (Initials Not Acceptable). Terry Trumane Brandon
2. Have you ever used any other name including nickname, maiden name or aliases? NO If yes, give the reason if any, if none indicate such, and provide the full name(s) and date(s) used.

<u>Beginning/Ending Date(s) Used (MM/YY)</u>	<u>Name(s)</u>	<u>Reason (If None, indicate such)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: Dates provided in response to this question may be approximate. Parties using this form understand that there could be an overlap of dates when transitioning from one name to another.

3. Affiant's Social Security Number [Redacted]
4. Government Identification Number if not a U.S. Citizen None
5. Foreign Student ID# (if applicable) None
6. Date of Birth: (MM/DD/YY) [Redacted] Place of Birth: City [Redacted]
State/Province WA Country USA
7. Name of Affiant's Spouse (if applicable) Carrie (Tupper) Brandon

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending Dates (MM/YY)	Address	City	State/Province	Country	Postal Code
03/2008-Present	[Redacted]				
06/03 - 03/08	2939 Glenwood Dr	Longview	WA	USA	98632
09/84 - 06/03	2461 Archwood Dr	Longview	WA	USA	98632

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 9th day of Sept., 2010 at Vancouver, WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Terry T. Brandon
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept., 2010 By

Terry T. Brandon, and:

- who is personally known to me, or
- who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (California)

This Disclosure and Authorization is provided to you in connection with a pending application of _____ [insert company name] ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by any department of insurance in such states where Company is currently pursuing an Application, because you are either functioning as, or are seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports will be obtained through _____ [insert name of CRA, address] ("CRA"). Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may request more information about the nature and scope of Background Reports produced by any consumer reporting agency ("CRA") by submitting a written request to Company. You should submit any such written request for more information, to _____ [insert company's designated person, position, or department, address and phone].

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act." You will be provided with a copy of any Background Report procured by Company if you check the box below.

By checking this box, I request a copy of any Background Report from any CRA retained by Company, at no extra charge.

Under section 1786.22 of the California Civil Code, you may view the file maintained on you by the CRA listed above. You may also obtain a copy of this file, upon submitting proper identification and paying the costs of duplication services, by appearing at the CRA in person or by mail; you may also receive a summary of the file by telephone. The CRA is required to have personnel available to explain your file to you and the CRA must explain to you any coded information appearing in your file. If you appear in person, you may be accompanied by one other person of your choosing, provided that person furnishes proper identification.

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. In no event, however, will this authorization remain in effect beyond twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

Terry Trumane Brandon _____
(Printed Full Name and Residence Address)

Terry Trumane Brandon
(Signature)

9 Sept. 2010
(Date)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept., 2010 By Terry T. Brandon, and

- who is personally known to me, or
- who produced the following identification:

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (All states except California, Minnesota and Oklahoma)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

Terry Trumane Brandon _____
(Printed Full Name and Residence Address)

Terry T. Brandon
(Signature)

9 Sept 2010
(Date)

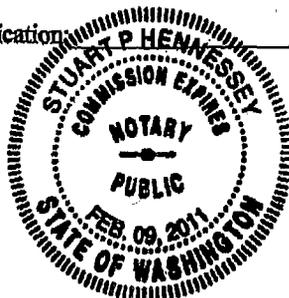
State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept 2010 By

Terry T Brandon, and

- who is personally known to me, or
- who produced the following identification:

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Page Break

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names). _____

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable). NORAH CLARKE
2. a. Are you a citizen of the United States? YES
b. Are you a citizen of any other country, if so, what country? _____
3. Affiant's Occupation or Profession. Administrator, St. Ann's Home
4. Affiant's business address. 198 Old Bergen Road, Jersey City, NJ 07305
Business telephone. 201-433-0950 X 511
5. Education and Training:

College/ University	City/ State	Dates Attended (MM/YY)	Degree Obtained	
<u>Caldwell College,</u>	<u>Caldwell NJ</u>	<u>1965-69</u>	<u>BA</u>	
Graduate Studies:	College/ University	City/ State	Dates Attended (MM/YY)	Degree Obtained
	<u>Seton Hall Univer.</u>	<u>South Orange NJ</u>	<u>1969-71</u>	<u>MA-Special Ed.</u>

Other Training: <u>Graduate</u> Name	City/ State	Dates Attended (MM/YY)	Degree/Certification Obtained
<u>Syracuse U.</u>	<u>Syracuse, NY</u>	<u>1979-81</u>	<u>MSW- Cert in Gerontology</u>

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

6. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>
American College of Health Care Admin		1321 DUKE ST	202-536-5120
Suite 400, ALEXANDRIA, VA		22314	

7. Present or proposed position with the applicant entity. member

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) JUNE - Present
 1993
 Employer's Name St. Ann's Home F/T Aged
 Address 192 Old Bergen Rd City Fersey City State/Province NJ 07305
 Country USA Postal Code 07305 Phone 908-933-0950 Offices/Positions Held Exec. Director
BOARD Mem. 1986-1993
 Supervisor / Contact SR. MARGARET BYRNE

Beginning/Ending Dates (MM/YY) 1986 - 9/92
 Employer's Name Sisters of St. Joseph of Peace
 Address St. Michael's Villa City Englewood Cliffs State/Province NJ
 Country USA Postal Code 07632 Phone 201-871-1600 Offices/Positions Held Administrator
 Supervisor / Contact SR. Ann Rutan

Beginning/Ending Dates (MM/YY) _____ - _____
 Employer's Name _____
 Address _____ City _____ State/Province _____
 Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
 Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) _____ - _____
 Employer's Name _____
 Address _____ City _____ State/Province _____
 Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
 Supervisor / Contact _____

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

9. a. Have you ever been in a position which required a fidelity bond? NO If any claims were made on the bond, give details. _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. _____

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

Organization/Issuer of License NJ DEPT. of Health Address PO Box 360

City Trenton State/Province NJ Country USA Postal Code 08625

License Type LNHA License # NJ1588 Date Issued (MM/YY) Feb. 1992

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

Organization /Issuer of License NJ Dept Consumer Address PO Box 45033

City NEWARK State/Province NJ Country USA Postal Code 07101

License Type Social Work License # NJ 445L0021 Date Issued (MM/YY) 8/25/10

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency? NO

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action? NO

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? NO

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? NO

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses? NO

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? NO
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? NO
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? NO
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? NO
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? NO

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person.

NONE

If any of the stock is pledged or hypothecated in any way, give details. _____

13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities.

NO

If any of the shares of stock are pledged or hypothecated in any way, give details. _____

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

14. Have you ever been adjudged a bankrupt? NO If yes, provide details _____

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? NO

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? NO

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? NO

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this 8th day of Sept, 2010 at Vancouver, WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Norah Clarke
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 8th day of Sept, 2010 By

Norah Clarke, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT
Supplemental Personal Information

(Print or Type)

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

Full Name, Address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

NORAH CLARKE



1. Affiant's Full Name (Initials Not Acceptable). _____
2. Have you ever used any other name including nickname, maiden name or aliases? If yes, give the reason if any, if none indicate such, and provide the full name(s) and date(s) used.

<u>Beginning/Ending Date(s) Used (MM/YY)</u>	<u>Name(s)</u>	<u>Reason (If None, indicate such)</u>
<u>7/1963 - 9/1970</u>	<u>Sister M. Bernice</u>	<u>PAST CUSTOM in Religious Community</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: Dates provided in response to this question may be approximate. Parties using this form understand that there could be an overlap of dates when transitioning from one name to another.

3. Affiant's Social Security Number [REDACTED]
4. Government Identification Number if not a U.S. Citizen —
5. Foreign Student ID# (if applicable) —
6. Date of Birth: (MM/DD/YY) [REDACTED] Place of Birth: City [REDACTED]
State/Province NY Country USA
7. Name of Affiant's Spouse (if applicable) —

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending

Dates (MM/YY)	Address	City	State/ Province	Country	Postal Code
------------------	---------	------	--------------------	---------	-------------

12/79					

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 8th day of Sept, 20 10 at Vancouver, Washington I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Noah Clarke
(Signature of Affiant)

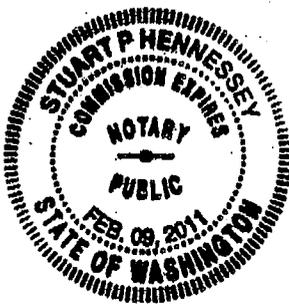
State of ~~WA~~ Washington County of ~~Hudsoff~~ King

The foregoing instrument was acknowledged before me this 8th day of Sept, 20 10 By

Noah Clarke, and:

- who is personally known to me, or
- who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (*All states except California, Minnesota and Oklahoma*)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the original instrument.

(Printed Full Name and Residence Address)

Noah Clarke
(Signature)

9/8/10
(Date)

State of Washington County of King

The foregoing instrument was acknowledged before me this 8th day of Sept. 2010 By Noah Clarke, and

- who is personally known to me, or
- who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Printed Notary Name
2/9/11
My Commission Expires

Page Break

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

PeaceHealth, 14432 SE Eastgate Way, Suite 300
Bellevue WA 98007

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

- 1. Affiant's Full Name (Initials Not Acceptable). Margaret Florence Dimond
- 2. a. Are you a citizen of the United States? Yes
- b. Are you a citizen of any other country, if so, what country? No
- 3. Affiant's Occupation or Profession. Licensed Registered Nurse
- 4. Affiant's business address. 1663 Killarney Way, Bellevue, WA 98009
Business telephone. 206-718-6376
- 5. Education and Training:

<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
<u>U. of Washington</u>	<u>Seattle, WA</u>	<u>1965-1968</u>	<u>BSN</u>

<u>Graduate Studies:</u>	<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
	<u>U. of Wisconsin</u>	<u>Madison, WI</u>	<u>1974-1978</u>	<u>PhD</u>

<u>Other Training: Name</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree/Certification Obtained</u>
<u>Sacred Heart Hosp.</u>	<u>Eugene, OR</u>	<u>1961-1964</u>	<u>Diploma - Nursing</u>

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

6. List of memberships in professional societies and associations. None

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>

7. Present or proposed position with the applicant entity. None

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) 1988 - 2003 Employer's Name University of Washington
 Address 1959 NE Pacific St City Seattle State/Province WA
 Country USA Postal Code _____ Phone ²⁰⁶ 543-8136 Offices/Positions Held Prof. of Nursing
 Supervisor / Contact Marla S. Salmon, Dean msalmon@u.washington.edu

Beginning/Ending Dates (MM/YY) 1977 - 1988 Employer's Name University of Utah
 Address 10 South 2000 East City Salt Lake City State/Province UT
 Country USA Postal Code 84112 Phone ⁸⁰¹ 581-3414 Offices/Positions Held Prof. of Nursing
 Supervisor / Contact Maureen Keefe, Dean

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____
 Address _____ City _____ State/Province _____
 Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
 Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____
 Address _____ City _____ State/Province _____
 Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
 Supervisor / Contact _____

Applicant Name (Company) PeaceHealth

NAIC No. _____

FEIN: _____

9. a. Have you ever been in a position which required a fidelity bond? _____ If any claims were made on the bond, give details. No

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. No

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

Organization/Issuer of License WA Dept. of Health Address PO Box 47890

City Olympia State/Province WA Country USA Postal Code 98504

License Type RN License # RN00037092 Date Issued (MM/YY) 5-7-1965

Date Expired (MM/YY) Renewal 6-26-11 Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

Organization /Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency? No

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action? No

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? No

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? No

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses? No

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? No
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? No
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? No
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? No
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? No

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person.

None

If any of the stock is pledged or hypothecated in any way, give details. _____

13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities.

No

If any of the shares of stock are pledged or hypothecated in any way, give details. _____

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

14. Have you ever been adjudged a bankrupt? No If yes, provide details _____

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? No

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? No

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? No

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

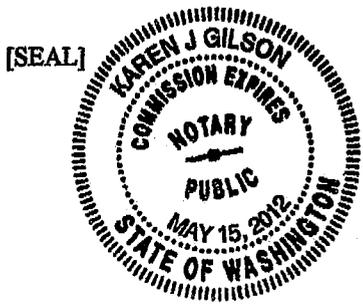
Dated and signed this 26 day of Aug 2010 at Belleveue, WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Margaret Florence Dimond
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 26 day of Aug, 2010 By Margaret Florence Dimond and _____

- who is personally known to me, or
- who produced the following identification: _____



Karen Gilson
Notary Public
Karen Gilson
Printed Notary Name
5-15-2012
My Commission Expires

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT
Supplemental Personal Information

(Print or Type)

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

Full Name, Address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

- Affiant's Full Name (Initials Not Acceptable). Margaret Florence Dimond
- Have you ever used any other name including nickname, maiden name or aliases? No If yes, give the reason if any, if none indicate such, and provide the full name(s) and date(s) used.

<u>Beginning/Ending Date(s) Used (MM/YY)</u>	<u>Name(s)</u>	<u>Reason (If None, indicate such)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: Dates provided in response to this question may be approximate. Parties using this form understand that there could be an overlap of dates when transitioning from one name to another.

- Affiant's Social Security Number [Redacted]
- Government Identification Number if not a U.S. Citizen _____
- Foreign Student ID# (if applicable) _____
- Date of Birth: (MM/DD/YY) [Redacted] Place of Birth: City [Redacted]
State/Province WA Country USA
- Name of Affiant's Spouse (if applicable) _____

Applicant Name (Company) ReaccHealth

NAIC No. _____
FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending Dates (MM/YY)	Address	City	State/Province	Country	Postal Code
2003-present	[REDACTED]				
1988-2003	17630 28 th Drive S.E.	Bothell, WA	USA		98072

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 26 day of August, 2010 at Bellevue, Washington I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

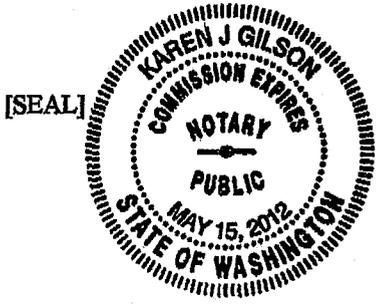
Margaret Florence Dimond
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 26 day of Aug, 2010 By

Margaret Florence Dimond, and:

- who is personally known to me, or
- who produced the following identification: _____



Karen Gilson
Notary Public
Karen Gilson
Printed Notary Name
5-15-2012
My Commission Expires

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (*All states except California, Minnesota and Oklahoma*)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

Margaret Florence Diamond _____
(Printed Full Name and Residence Address)
Margaret Florence Diamond _____
(Signature) 8/26/2010
(Date)

State of WA County of King

The foregoing instrument was acknowledged before me this 26 day of Aug 2010 By Margaret Florence Diamond, and

- who is personally known to me, or
- who produced the following identification:

[SEAL]



Karen Gilson
Notary Public
Karen Gilson
Printed Notary Name
5-15-2012
My Commission Expires

Page Break

Applicant Name (Company) Peace Health

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names). PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, WA, 98007-6412, (425)747-1711

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable). Eleanor Catherine Gilmore
2. a. Are you a citizen of the United States? Yes
b. Are you a citizen of any other country, if so, what country? No
3. Affiant's Occupation or Profession. Retired Healthcare Administrator
4. Affiant's business address. _____
Business telephone. _____

5. Education and Training:

<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>	
<u>Seattle University</u>	<u>Seattle, WA</u>	<u>9/1950- 5/1952</u>	<u>BA sociology</u>	
<u>Graduate Studies:</u>	<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
<u>Health Administration</u>	<u>St. Louis University</u>	<u>St. Louis, MI</u>	<u>9/1965 - 6/1967</u>	<u>MHA</u>

<u>Other Training: Name</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree/Certification Obtained</u>
<u>Sacred Heart Hosp. School Nursing</u>	<u>Eugene, OR</u>	<u>6/1960 - 6-1963</u>	<u>RN Nursing</u>
<u>Theological Studies (JSTU)</u>	<u>Berkeley, CA</u>	<u>9/1987 - 6/1988</u>	<u>Cert. Spirituality & Worship</u>

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

6. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>

7. Present or proposed position with the applicant entity. _____

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending

Dates (MM/YY) 03/1993-2009

Employer's Name PeaceHealth

Address 14432 SE Eastgate Way, Suite 300, Bellevue, WA 98007-6812

Country USA Postal Code 98007-6412 Phone (425)747-1711 Offices/Positions Held VP Values Integration ('93-'99) Director PH El Salvador Mission ('99-2009) Member PeaceHealth System Board (2002 —)

Supervisor / Contact ___ Monica Heeran; John Hayward, Alan Yordy (various PH CEOs from '93 – 2009)

Beginning/Ending

Dates (MM/YY) 10/1988 – 3/1993
signing of Peace accords 1/93.)

Employer's Name Jesuit Refugee Services (JRS terminated after

Address El Despertar _____ City San Salvador _____ State/Prov _____

Country El Salvador Postal Code _____ Phone _____ Offices/Positions Held Director, JRS Health Program in Re-Population areas of country _____

Supervisor / Contact ___ Richard Howard, SJ, Sta. Clara High School, Sta. Clara, CA (current position) _____

Beginning/Ending

Dates (MM/YY) 07/1982 – 07/1987 ___ Employer's Name Sisters of St. Joseph of Peace, _____

Address 1663 Killarney Way City Bellevue State/Province WA

Country USA Postal Code 98004 _____ Phone (425) 451-1770 Offices/Positions Held Provincial Leader

Supervisor / Contact Margaret Byrne, CSJP

Beginning/Ending

Dates (MM/YY) 07/1976 07/1982 Employer's Name St. John Hospital _____

Address 1615 Delaware St. _____ City Longview _____ State/Province WA _____

Country USA Postal Code 98632 - 0302 Phone _____ Offices/Positions Held CEO _____

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

Supervisor / Contact At the time, Joan McInnes, CEO/President, Health and Hospital Services (now known as PeaceHealth)

9. a. Have you ever been in a position which required a fidelity bond? NO If any claims were made on the bond, give details. _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. NO _____

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued.. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

Organization/Issuer of License WSNA (Washington State Nurses Assn) Address _____

City Seattle State/Province WA Country USA Postal Code _____

License Type RN (registered nurse) License # ? _____ Date Issued (MM/YY) 07/63? _____

Date Expired (MM/YY) ? _____ Reason for Termination Career change to hospital administration/CEO and decided not to continue with RN licensure as was not working in that capacity.

Non-insurance Regulatory Phone Number (if known) _____

Organization /Issuer of License OSNA (Oregon State Nurses Assn) Address _____

City Salem State/Province OR Country _____ Postal Code _____

License Type RN (Registered Nurse) License # ? _____ Date Issued (MM/YY) ? _____

Date Expired (MM/YY) ? _____ Reason for Termination (Same reason as indicated for State of Washington)

Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency?

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action?

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

- c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? _____
- d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? _____
- e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses? _____
- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? _____
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? _____
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? _____
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? _____
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? _____

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person.

If any of the stock is pledged or hypothecated in any way, give details. _____

13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities.

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

If any of the shares of stock are pledged or hypothecated in any way, give details.

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

14. Have you ever been adjudged a bankrupt? NO ____ If yes, provide details _____

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? NO _____

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? NO _____

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? NO _____

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this _____ day of _____ 20__ at _____ I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Eleanor Gilmore
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By

Eleanor Gilmore, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT
Supplemental Personal Information

(Print or Type)

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

Full Name, Address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, WA 98009-6412, (425)747-1711 _____

1. Affiant's Full Name (Initials Not Acceptable). Eleanor Catherine Gilmore _____
2. Have you ever used any other name including nickname, maiden name or aliases? NO If yes, give the reason if any, if none indicate such, and provide the full name(s) and date(s) used.

<u>Beginning/Ending Date(s) Used (MM/YY)</u>	<u>Name(s)</u>	<u>Reason (If None, indicate such)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: Dates provided in response to this question may be approximate. Parties using this form understand that there could be an overlap of dates when transitioning from one name to another.

3. Affiant's Social Security Number [REDACTED]
4. Government Identification Number if not a U.S. Citizen _____
5. Foreign Student ID# (if applicable) _____
6. Date of Birth: (MM/DD/YY) [REDACTED] Place of Birth: City [REDACTED]
State/Province: Washington Country: USA
7. Name of Affiant's Spouse (if applicable) _____

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending Dates (MM/YY)	Address	City	State/ Province	Country	Postal Code
03/2009-	[REDACTED]				
10/1999 – 03/2009,	39 Ave. Nte, #14 Pasaje Los Angeles,			San Salvador, El Salvador,	Central América
03/1993 – 10/1999	1623 Killarney Way,			Bellevue, WA, USA	98004

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this _____ day of _____, 20____ at _____ I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Eleanor Gilmore
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By

Eleanor Gilmore, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (All states except California, Minnesota and Oklahoma)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

(Printed Full Name and Residence Address)
Eleanor Gilmore
(Signature) _____ (Date)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept 2010 By Eleanor Gilmore, and

- who is personally known to me, or
- who produced the following identification

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Page Break

Applicant Name (Company) Joseph Gonyea (PeaceHealth)

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

PeaceHealth
14432 S.E. Eastgate Way
Suite 300
Bellevue, Wash. 98007-6412

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable). Joseph Henry GONYEA II
2. a. Are you a citizen of the United States? yes
- b. Are you a citizen of any other country, if so, what country? no
3. Affiant's Occupation or Profession. Corporate Exec. I.C.E.O. Timber Products Co.
4. Affiant's business address. 305 S. 4th St. Springfield Or. 97477
Business telephone. 541-744-4200

5. Education and Training:

College/ University	City/ State	Dates Attended (MM/YY)	Degree Obtained
<u>Santa Clara U.</u>	<u>Santa Clara Ca.</u>	<u>9-60 - 6-62</u>	<u>Yes B.A. Business</u>
<u>Seattle U.</u>	<u>Seattle Wa.</u>	<u>9-62 - 8-64</u>	<u>Yes acct. Major</u>

Graduate Studies:	College/ University	City/ State	Dates Attended (MM/YY)	Degree Obtained

Other Training: Name	City/ State	Dates Attended (MM/YY)	Degree/Certification Obtained

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

6. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>

7. Present or proposed position with the applicant entity. Board Member

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) over 20 years Employer's Name Timber Products Co
 Address P.O. Box 269 City Springfield State/Province Or.
 Country USA Postal Code 97477 Phone 541-744-4200 Offices/Positions Held C.E.O./owner
 Supervisor / Contact self

Beginning/Ending Dates (MM/YY) over 20 years Employer's Name Gonyea + Assoc.
 Address P.O. Box 269 City Springfield State/Province Or.
 Country USA Postal Code 97477 Phone 541-744-4200 Offices/Positions Held partner/owner
 Supervisor / Contact self

Beginning/Ending Dates (MM/YY) over 20 years Employer's Name Gonyea Management
 Address P.O. Box 269 City Springfield State/Province Or.
 Country USA Postal Code 97477 Phone _____ Offices/Positions Held partner/owner
 Supervisor / Contact self

Beginning/Ending Dates (MM/YY) over 20 years Employer's Name Michigan-California Lumber Co.
 Address P.O. Box 269 City Springfield State/Province Or.
 Country USA Postal Code 97477 Phone 541-744-4200 Offices/Positions Held owner/partner
 Supervisor / Contact self

Applicant Name (Company)

PeaceHealth

NAIC No. _____

FEIN: _____

6. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>

7. Present or proposed position with the applicant entity. _____

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) Oct 1991 - present Employer's Name Sierra Pine
 Address 3010 Lava Ridge Ct. Suite 320 City Roseville State/Province Ca
 Country USA Postal Code 95661 Phone 916 772-3422 Offices/Positions Held partner/owner
 Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) 04/88 - present Employer's Name T.P. Michigan
 Address P.O. Box 378 City Munising State/Province Mi
 Country USA Postal Code 49862 Phone 906 452-6221 Offices/Positions Held partner/owner
 Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) approx 1989 - 1996 Employer's Name 1st Interstate Bank of Oregon
 Address _____ City Portland State/Province Or.
 Country USA Postal Code _____ Phone _____ Offices/Positions Held _____
 Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____
 Address _____ City _____ State/Province _____
 Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
 Supervisor / Contact _____

Applicant Name (Company) PeaceHealth

NAIC No. _____

FEIN: _____

9. a. Have you ever been in a position which required a fidelity bond? yes If any claims were made on the bond, give details. no claims

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. no

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued.. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

Organization/Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

Organization /Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency? no

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action? no

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? no

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? no

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses? no

Applicant Name (Company) Peace Health

NAIC No. _____
FEIN: _____

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? no
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? no
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? no
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? no
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? no

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. None

If any of the stock is pledged or hypothecated in any way, give details. _____

13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities. no

If any of the shares of stock are pledged or hypothecated in any way, give details. _____

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

14. Have you ever been adjudged a bankrupt? no If yes, provide details _____

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? no

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? no

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? no

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this 24th day of Aug. 2010 at Springfield Or. I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

[Signature]
(Signature of Affiant)

State of Oregon County of Lane

The foregoing instrument was acknowledged before me this 24 day of August, 2010 By

Joseph H. Gonyea II, and:

- who is personally known to me, or
- who produced the following identification: _____

[SEAL]



Sally A. McKinney
Notary Public
Sally A. McKinney
Printed Notary Name
March 9, 2013
My Commission Expires

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT
Supplemental Personal Information

(Print or Type)

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

Full Name, Address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

PeaceHealth
14432 S.E. Eastgate Way
Suite 300
Bellevue Wash. 98007-6412

- Affiant's Full Name (Initials Not Acceptable). Joseph Henry Gonyea
- Have you ever used any other name including nickname, maiden name or aliases? NO If yes, give the reason if any, if none indicate such, and provide the full name(s) and date(s) used.

<u>Beginning/Ending Date(s) Used (MM/YY)</u>	<u>Name(s)</u>	<u>Reason (If None, indicate such)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: Dates provided in response to this question may be approximate. Parties using this form understand that there could be an overlap of dates when transitioning from one name to another.

- Affiant's Social Security Number [Redacted]
- Government Identification Number if not a U.S. Citizen _____
- Foreign Student ID# (if applicable) _____
- Date of Birth: (MM/DD/YY) [Redacted] Place of Birth: City [Redacted]
State/Province Wa. Country USA
- Name of Affiant's Spouse (if applicable) StoMae Gonyea

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending Dates (MM/YY)	Address	City	State/Province	Country	Postal Code
<u>1971 - Current</u>	<u>Current</u>				
<u>1971 - Current</u>					

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 24th day of August, 2010 at Springfield Or. I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

[Signature]
(Signature of Affiant)

State of Oregon County of Lane

The foregoing instrument was acknowledged before me this 24 day of August, 2010 By

Joseph W. Donysa II, and:

- who is personally known to me, or
- who produced the following identification: _____

[SEAL]



Sally A. McKinney
Notary Public
Sally A. McKinney
Printed Notary Name
March 9, 2013
My Commission Expires

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (All states except California, Minnesota and Oklahoma)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

Joseph Henry Gonyea
(Printed Full Name and Residence Address)
[Signature]
(Signature) 8/24/10
(Date)

State of Oregon County of Lane

The foregoing instrument was acknowledged before me this 24 day of August 2010 By Joseph H. Gonyea II, and

- who is personally known to me, or
- who produced the following identification: _____

[SEAL]



Sally A. McKinney
Notary Public
Sally A. McKinney
Printed Notary Name
March 9, 2013
My Commission Expires

Page Break

Applicant Name (Company) Peace Health

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names). _____

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable) Thomas Keith Grove
2. a. Are you a citizen of the United States? yes
- b. Are you a citizen of any other country, if so, what country? No
3. Affiant's Occupation or Profession Retired - Commercial Banking
4. Affiant's business address N/A
- Business telephone N/A

5. Education and Training:

<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
<u>University of Wyoming</u>	<u>Laramie Wyoming</u>	<u>09/63-06/68</u>	<u>B.S. Business Adm.</u>

<u>Graduate Studies:</u>	<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
<u>Banking</u>	<u>University of Colorado-Boulder</u>	<u>Ca</u>	<u>08/77-09/80</u>	<u>Certified Banker</u>

<u>Other Training: Name</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree/Certification Obtained</u>
<u>University of Oklahoma</u>	<u>Norman, OK</u>	<u>03/77</u>	<u>Advanced Commercial Banking</u>

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

N/A

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

6. List of memberships in professional societies and associations.

Name of Society/Association	Contact Name	Address of Society/Association	Telephone Number of Society/Association
<u>None at present</u>			

7. Present or proposed position with the applicant entity. Board of Directors

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) 06/84 - 12/06 Employer's Name Oregon Pacific Banking Company
 Address 1356 Hwy 101 City Florence State/Province Or 97439
 Country U.S. Postal Code 97439 Phone 541-997-7121 Offices/Positions Held President/CEO
 Supervisor / Contact Dr. A.J. Brauer Florence, Or Director 541-997-7758

Beginning/Ending Dates (MM/YY) 06/71 - 05/84 Employer's Name Wyoming National Bank
 Address Box 2799 City Casper State/Province Wyoming
 Country U.S. Postal Code 82301 Phone _____ Offices/Positions Held V.P. Branch Manager
 Supervisor / Contact R.W. Miracle - Deceased

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____
 Address _____ City _____ State/Province _____
 Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
 Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____
 Address _____ City _____ State/Province _____
 Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
 Supervisor / Contact _____

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

9. a. Have you ever been in a position which required a fidelity bond? yes If any claims were made on the bond, give details. None

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. No

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued.. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

Organization/Issuer of License State of Wyoming Address Cheyenne, Wyo.
City Cheyenne State/Province Wyo Country U.S. Postal Code _____
License Type Insurance License # ? Date Issued (MM/YY) 05/78
Date Expired (MM/YY) 05/84 Reason for Termination Moved out of state
Non-insurance Regulatory Phone Number (if known) _____

Organization /Issuer of License _____ Address _____
City _____ State/Province _____ Country _____ Postal Code _____
License Type _____ License # _____ Date Issued (MM/YY) _____
Date Expired (MM/YY) _____ Reason for Termination _____
Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency? No

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action? No

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? No

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? No

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses? No

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? No
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? No
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? No
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? No
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? No

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

- 12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. None

If any of the stock is pledged or hypothecated in any way, give details. _____

- 13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities. No

If any of the shares of stock are pledged or hypothecated in any way, give details. _____

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

14. Have you ever been adjudged a bankrupt? No If yes, provide details _____

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? No

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? No

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? No

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this 9th day of Sept 2010 at Novacover WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

[Signature]
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By

Thomas K Goove, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



[Signature]
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending Dates (MM/YY)	Address	City	State/Province	Country	Postal Code
--------------------------------	---------	------	----------------	---------	-------------

02/85 - Present



Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 9th day of Sept, 2010 at Vancouver, WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

[Signature]
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By Thomas U Grode, and:

- who is personally known to me, or
- who produced the following identification: _____

[SEAL]



[Signature]
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (All states except California, Minnesota and Oklahoma)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the original.

Thomas Keith Grove
(Printed Full Name and Residence Address)

[Signature]
(Signature)

9/9/10
(Date)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept 2010 By Thomas K. Grove, and

who is personally known to me, or

who produced the following identification:

[SEAL]



[Signature]
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Page Break

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

Dieter Hermann Morich MD



In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable).
Dieter Hermann Morich MD
2. a. Are you a citizen of the United States? *Yes*
- b. Are you a citizen of any other country, if so, what country?

-
3. Affiant's Occupation or Profession. *Physician (Self employed)*
 4. Affiant's business address. *2986 Flintlock St. Eugene, OR 97408*
Business telephone. *541 344 5857 or 541 729 6529*

5. Education and Training:

<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
<i>Free University of Berlin</i>	<i>West Germany</i>	<i>1962-1964</i>	
<i>Calif. State University at Los Angeles</i>	<i>Los Angeles, CA</i>	<i>1965-1968</i>	<i>BA 1968 (in Microbiology)</i>
<u>Graduate Studies:</u>			
<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
<i>M.D. University of So. Calif.</i>	<i>Los Angeles, CA</i>	<i>1968-1972</i>	

<u>Other Training: Name</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree/Certification</u>
<i>San Francisco, CA</i>		<i>1972-1973</i>	<i>Internship - Straight Internal Medicine</i>
<i>Los Angeles, CA</i>		<i>1973-1974</i>	<i>Residency - Internal Medicine</i>
<i>Los Angeles, CA</i>		<i>1974-1976</i>	<i>Fellowship - Medical Oncology</i>
<i>Salt Lake City, Utah</i>		<i>Aug-Dec. 1996</i>	<i>THE Advanced Training Program -</i>

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

6. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>
Lane County Med. Society	} I am retired and no longer active.	61549 W. Ridge Ave. Bend, OR 97702	541 480 2544
Oregon Med. Society			
American Society of Clinical Oncology			
North Pacific Society of Internal Med.			
Senior Inactive Member			

7. Present or proposed position with the applicant entity.

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending
 Dates (MM/YY) - 07/1976 - 6/2002
 Employer's Name Willamette Valley Cancer Institute + Research Center
 Address City State/Province 520 Country Club Rd. Eugene, OR
 Country Postal Code Phone Offices/Positions Held USA 97401 541-683-5001 Staff Physician
 Supervisor / Contact

Beginning/Ending
 Dates (MM/YY) - 1/2003 - Present
 Employer's Name Self employed (Locum Tenens)
 Address City State/Province
 Country Postal Code Phone Offices/Positions Held
 Supervisor / Contact Agent - CompHealth
 6440 South Millrock Dr. Suit 175 Salt Lake City, UT 84121
 Beginning/Ending
 Dates (MM/YY) -
 Employer's Name
 Address City State/Province

Country Postal Code Phone Offices/Positions Held

Supervisor / Contact

Beginning/Ending
 Dates (MM/YY) - Employer's Name

Address City State/Province

Country Postal Code Phone Offices/Positions Held

Supervisor / Contact

9. a. Have you ever been in a position which required a fidelity bond?
No If any claims were made on the bond, give details.

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. No

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued.. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)): Attach additional pages if the space provided is insufficient

Organization/Issuer of License	Address		
City State/Province	Country	Postal Code	
License Type License #	Date Issued (MM/YY)		
Date Expired (MM/YY)	Reason for Termination		
Non-insurance Regulatory Phone Number (if known)			
Organization /Issuer of License	Address		
City State/Province	Country	Postal Code	

Active Medical Licenses:

- 1.) California - G 25400
 - 2.) Oregon - MD 09895
 - 3.) Washington - 43203
 - 4.) Idaho - M 9455
- DEA no. FM 0998205
 NPI no. 1841361375

License Type License # Date Issued (MM/YY)

Date Expired (MM/YY) Reason for Termination

Non-insurance Regulatory Phone Number (if known)

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency? *No*

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action? *No*

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? *No*

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? *No*

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses? *No*

f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? *No*

g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? *No*

h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? *No*

i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or

regulation lawfully made by the Comptroller of any state or the Federal Government? *No*

- Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? *No*

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person.

N/A

If any of the stock is pledged or hypothecated in any way, give details.

13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities. *No*

If any of the shares of stock are pledged or hypothecated in any way, give details.

14. Have you ever been adjudged a bankrupt? *No* If yes, provide details

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? *No*

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? *No*

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? *No*

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this day of 20__ at I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

(Signature of Affiant)

State of County of

The foregoing instrument was acknowledged before me this ___ day of ___, 20__ By _____, and:

who is personally known to me, or who produced the following identification:

[SEAL] Notary Public

Applicant Name (Company) Peace Holdr

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT
Supplemental Personal Information

(Print or Type)

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

Full Name, Address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

1. Affiant's Full Name (Initials Not Acceptable). Dieter Hermann Morich

2. Have you ever used any other name including nickname, maiden name or aliases? no If yes, give the reason if any, if none indicate such, and provide the full name(s) and date(s) used.

<u>Beginning/Ending Date(s) Used (MM/YY)</u>	<u>Name(s)</u>	<u>Reason (If None, indicate such)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: Dates provided in response to this question may be approximate. Parties using this form understand that there could be an overlap of dates when transitioning from one name to another.

3. Affiant's Social Security Number _____

4. Government Identification Number if not a U.S. Citizen _____

5. Foreign Student ID# (if applicable) _____

6. Date of Birth: (MM/DD/YY) _____ Place of Birth: City _____
State/Province Silesia Country Germa

7. Name of Affiant's Spouse (if applicable) Constance Ursula Morich

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending Dates (MM/YY)	Address	City	State/Province	Country	Postal Code
05/1995					

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 10th day of September, 2010 at Vancouver, WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Dieter H. Morich
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 10th day of Sept, 2010 By

Dieter H. Morich, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS *(All states except California, Minnesota and Oklahoma)*

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

Dieter He Morich
(Printed Full Name and Residence Address)

Dieter He Morich
(Signature)

09/10/2010
(Date)

State of Washington County of King

The foregoing instrument was acknowledged before me this 10th day of Sept 20 10 By Dieter He Morich, and

who is personally known to me, or

who produced the following identification:

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Page Break

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

PeaceHealth
14432 S.E. Eastgate Way, Suite 300
Bellevue, Wash 98007-6412

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable). Anne Hayes, CSSP
2. a. Are you a citizen of the United States? Yes
- b. Are you a citizen of any other country, if so, what country? _____
3. Affiant's Occupation or Profession. Congregation Sisters of St. Joseph of Peace Leadership Team
4. Affiant's business address. 125, Michigan Ave, Wash DC 20017
Business telephone. 202 884 9768

5. Education and Training:

College/ University	City/ State	Dates Attended (MM/YY)	Degree Obtained
<u>Seattle University</u>	<u>Seattle, WASH</u>	<u>1964-69</u>	<u>Bsc N</u>

Graduate Studies:	College/ University	City/ State	Dates Attended (MM/YY)	Degree Obtained
	<u>St. Louis University</u>	<u>St. Louis</u>	<u>1979-81</u>	<u>MHA</u>
	<u>San Diego State U.</u>	<u>San Diego</u>	<u>1993-95</u>	<u>MBA</u>

Other Training: Name	City/ State	Dates Attended (MM/YY)	Degree/Certification Obtained

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

6. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>
<u>Leadership Conference Women Religious</u>	<u></u>	<u>Silver Springs, Maryland</u>	<u></u>

7. Present or proposed position with the applicant entity. Board Member

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) April - 2009 Employer's Name Sisters of St. Joseph of Peace
 Address 125 Michigan Ave City Wash State/Province DC
 Country USA Postal Code 20017 Phone _____ Offices/Positions Held Congregation Leadership Team
 Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) July - 1995 Employer's Name PeaceHealth Lower Columbia Region
 Address 1615 Delaware City Longview State/Province WA
 Country USA Postal Code 98632 Phone 3604420000 Offices/Positions Held VP CHI/Mission
 Supervisor / Contact Sy Johnson, CEO/CHO

Beginning/Ending Dates (MM/YY) July - 1990 Employer's Name Mercy Sacramento
 Address H Street City Sacramento State/Province CA
 Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
 Supervisor / Contact Sr. Joan McInnes (deceased)

Beginning/Ending Dates (MM/YY) July - 1982 Employer's Name St. John Medical Ctr.
 Address 1615 Delaware City Longview State/Province WA
 Country USA Postal Code 98632 Phone _____ Offices/Positions Held _____
 Supervisor / Contact Sisters of St. Joseph of Peace

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

- 9. a. Have you ever been in a position which required a fidelity bond? No If any claims were made on the bond, give details. _____
- b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. _____

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

Organization/Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

Organization /Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency?
No

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action?
No

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action?
No

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? No

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses?
No

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? NO
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? No
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? No
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? No
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? No

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

- 12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. NONE

If any of the stock is pledged or hypothecated in any way, give details. _____

- 13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities. No

If any of the shares of stock are pledged or hypothecated in any way, give details. _____

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

14. Have you ever been adjudged a bankrupt? NO If yes, provide details _____

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? NO

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? NO

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? NO

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this 9 day of Sept 20 at Vancouver, WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Anne Hayes, CSTP
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By

Anne Hayes, CSTP, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
9/19/10
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT
Supplemental Personal Information

(Print or Type)

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

Full Name, Address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

ANNE HAYES, ~~PeaceHealth~~ PeaceHealth
14432, SE Eastgate Way, Suite 300
Bellevue, WASH. 98007-6412

1. Affiant's Full Name (Initials Not Acceptable). Anne Hayes
2. Have you ever used any other name including nickname, maiden name or aliases? No! If yes, give the reason if any, if none indicate such, and provide the full name(s) and date(s) used.

<u>Beginning/Ending Date(s) Used (MM/YY)</u>	<u>Name(s)</u>	<u>Reason (If None, indicate such)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: Dates provided in response to this question may be approximate. Parties using this form understand that there could be an overlap of dates when transitioning from one name to another.

3. Affiant's Social Security Number [Redacted]
4. Government Identification Number if not a U.S. Citizen _____
5. Foreign Student ID# (if applicable) _____
6. Date of Birth: (MM/DD/YY) [Redacted] Place of Birth: City [Redacted]
State/Province _____ Country _____
7. Name of Affiant's Spouse (if applicable) NA

Applicant Name (Company) _____

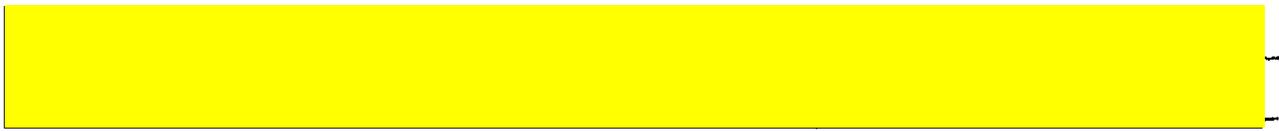
NAIC No. _____

FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending

Dates (MM/YY)	Address	City	State/ Province	Country	Postal Code
------------------	---------	------	--------------------	---------	-------------



Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 9 day of Sept, 2010 at Vancouver, WASH I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Aune Hayes, CSTP
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By

Aune Hayes, CSTP, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (*All states except California, Minnesota and Oklahoma*)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original

ANNE HAYES

(Printed Full Name and Residence Address)

Anne Hayes CSTP
(Signature)

9, Sept, 2010
(Date)

State of Washington County of King

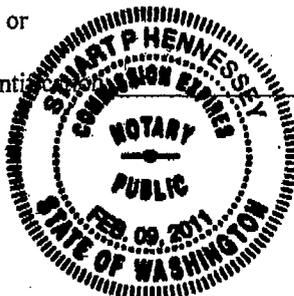
The foregoing instrument was acknowledged before me this 9th day of Sept 2010 By

Anne Hayes CSTP, and

who is personally known to me, or

who produced the following identification:

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Page Break

Applicant Name (Company)

Peace Health

NAIC No. _____

FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

Monica F. Heeran

3434 Kinsrow Ave., #142 V

Eugene, OR 97401

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable). Monica F. Heeran

2. a. Are you a citizen of the United States? Yes

b. Are you a citizen of any other country, if so, what country? _____

3. Affiant's Occupation or Profession. Retired Health Care Executive

4. Affiant's business address. 2260 Marcola Road

Business telephone. 541-868-3573

5. Education and Training:

<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
<u>Seattle University</u>	<u>Seattle, WA</u>	<u>1958-1961</u>	<u>BSN</u>

<u>Graduate Studies:</u>	<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
	<u>St. Louis University</u>	<u>St. Louis, Missouri</u>	<u>1968-1970</u>	<u>MHA</u>

<u>Other Training: Name</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree/Certification Obtained</u>

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

6. List of memberships in professional societies and associations. I have dropped membership in professional societies

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>
<u>ACHE</u>	<u>I AM RETIRED</u>	<u>CHICAGO, ILL</u>	

7. Present or proposed position with the applicant entity. Board Member

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) 1973 - 1987 Employer's Name PeaceHealth

Address 14432 Eastgate Way City Bellevue State/Province Washington

Country USA Postal Code 98007-6412 Phone 425747-1711 Offices/Positions Held CEO/Board Chair

Supervisor / Contact Board of Directors

Beginning/Ending Dates (MM/YY) 1999 - 2007 Employer's Name Volunteers In Medicine

Address 2260 Marcola Road City Springfield State/Province Oregon

Country USA Postal Code 97477 Phone 541-685-1800 Offices/Positions Held Executive Director

Supervisor / Contact Board of Directors

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____

Address _____ City _____ State/Province _____

Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____

Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____

Address _____ City _____ State/Province _____

Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____

Supervisor / Contact _____

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

9. a. Have you ever been in a position which required a fidelity bond? No If any claims were made on the bond, give details. _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. No

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued.. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

Organization/Issuer of License Oregon Board of Nursing Address Salem, Oregon

City Salem State/Province Oregon Country USA Postal Code _____

License Type Registered Nurse License # Don't remember Date Issued (MM/YY) 1961

Date Expired (MM/YY) 1973? Reason for Termination I did not renew because I was a CEO and did not have time to meet the educational requirements for licensure as well as Health administration

Non-insurance Regulatory Phone Number (if known) _____

Organization /Issuer of License Washington Board of Nursing Address Olympia

City Olympia State/Province Washington Country USA Postal Code _____

License Type Nursing License # Don't remember Date Issued (MM/YY) 1967

Date Expired (MM/YY) 1973? Reason for Termination Had become a CEO -Time issues with maintaining educational requirements for license renewal as well as executive role

Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency?
NO

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action?
NO

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? NO

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? NO

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses?

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

NO

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? NO
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? NO
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? NO
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? NO
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? NO

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

- 12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person.

If any of the stock is pledged or hypothecated in any way, give details. _____

- 13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities.

NO

If any of the shares of stock are pledged or hypothecated in any way, give details.

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

14. Have you ever been adjudged a bankrupt? NO If yes, provide details _____

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

- a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? _____
- b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? _____
- c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? _____

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this 9th day of Sept 2010 at Vancouver, WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Monica E. Heeran
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By

Monica E. Heeran, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]

Stuart R. Hennessey
Notary Public
Stuart R. Hennessey
Printed Notary Name
2/19/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

BIOGRAPHICAL AFFIDAVIT
Supplemental Personal Information

(Print or Type)

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

Full Name, Address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

- Affiant's Full Name (Initials Not Acceptable). MONICA F. HEERON
- Have you ever used any other name including nickname, maiden name or aliases? No If yes, give the reason if any, if none indicate such, and provide the full name(s) and date(s) used.

<u>Beginning/Ending Date(s) Used (MM/YY)</u>	<u>Name(s)</u>	<u>Reason (If None, indicate such)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: Dates provided in response to this question may be approximate. Parties using this form understand that there could be an overlap of dates when transitioning from one name to another.

- Affiant's Social Security Number _____
- Government Identification Number if not a U.S. Citizen _____
- Foreign Student ID# (if applicable) _____
- Date of Birth: (MM/DD/YY) _____ Place of Birth: City _____
State/Province Co. Leitrim Country Ireland
- Name of Affiant's Spouse (if applicable) _____

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

<u>Beginning/Ending</u> Dates (MM/YY)	Address	City	State/ Province	Country	Postal Code

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 9th day of Sept., 2010 at Vancouver, WA. I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Monica Herrera
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By

Monica Herrera, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (All states except California, Minnesota and Oklahoma)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

(Printed Full Name and Residence Address)

Monica F. Heeran
(Signature)

9/19/10
(Date)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept 2010 By Monica F. Heeran, and

who is personally known to me, or

who produced the following identification:

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Page Break

Applicant Name (Company) Peace Health

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names). _____

PeaceHealth
14432 SE Eastgate Way Suite 300
Bellevue, WA 98007

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

- 1. Affiant's Full Name (Initials Not Acceptable). Andrea Clare Nenzel
- 2. a. Are you a citizen of the United States? Yes
- b. Are you a citizen of any other country, if so, what country? No

3. Affiant's Occupation or Profession. Educator/Social Services (retired)

4. Affiant's business address. NA

Business telephone. NA

5. Education and Training:

<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
Seattle University	Seattle, WA	1963-66	BA

<u>Graduate Studies:</u>	<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
	University of OR	Eugene, OR	1966-68	MA (mathematics)

<u>Other Training: Name</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree/Certification Obtained</u>
Western WA University	Bellingham, WA	1968-72	Principal Certification

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

6. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>

7. Present or proposed position with the applicant entity. Chair, Board of Directors _____

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending
Dates (MM/YY) Aug 2009 - present Employer's Name volunteer - PeaceHealth _____

Address 14432 SE Eastgate Way City Bellevue State/Province WA _____

Country USA Postal Code 98007 Phone 425- 649-3874 Offices/Positions Held Chair, Board of Directors _____

Supervisor / Contact _____

Beginning/Ending
Dates (MM/YY) Jan 03 - Aug 09 Employer's Name Sisters of St. Joseph of Peace _____

And Jul 87- Jan 93
Address PO Box 248 City Bellevue State/Province WA _____

Country USA Postal Code 98009-0248 Phone 425-451-1770 Offices/Positions Held Province Leader _____

Supervisor / Contact _____

Beginning/Ending
Dates (MM/YY) Sept? 95 - Jan 03 Employer's Name Alaskan AIDS Assistance Association _____

Address 1057 W Fireweed #102 City Anchorage State/Province Alaska _____

Country USA Postal Code 99503 Phone 907-263-2050 Offices/Positions Held Executive Director _____

Supervisor / Contact Board of Directors _____

Beginning/Ending
Dates (MM/YY) Nov. 94 - Aug 95 Employer's Name Archdiocese of Anchorage _____

Address 225 Cordova City Anchorage State/Province Alaska _____

Country USA Postal Code 99501 Phone 907-297-7700 Offices/Positions Held Director Special Projects _____

Supervisor / Contact Archbishop Frank Hurley _____

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

9. a. Have you ever been in a position which required a fidelity bond? no If any claims were made on the bond, give details. _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. no _____

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued.. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

None

Organization/Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

Organization /Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency?
No _____

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action?
No _____

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action?
No _____

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? No _____

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses?
No _____

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? no _____
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? no _____
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? no _____
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? no _____
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity?
No _____

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. one

If any of the stock is pledged or hypothecated in any way, give details. _____

13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities.
No _____
- _____

If any of the shares of stock are pledged or hypothecated in any way, give details.

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

14. Have you ever been adjudged a bankrupt? No _____ If yes, provide details _____

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? No _____

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? No _____

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? No _____

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this 9/9/10 day of _____ 2010 at Washington VA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Andrea Nenzel
(Signature of Affiant)

State of Washington County of King

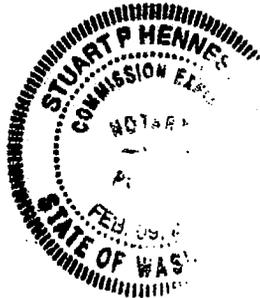
The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By

Andrea Nenzel, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/8/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

7 Name of Affiant's Spouse (if applicable) NA _____

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending

Dates (MM/YY)	Address	City	State/ Province	Country	Postal Code

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 9 day of 9, 2010 at Issaquah WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Andrea Neazel
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By

Andrea Neazel, and:

- who is personally known to me, or
- who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Page Break

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

PeaceHealth
14432 SE. Eastgate Way Suite 300
Bellevue, WA 98007

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable). Kathleen Lee Pruitt, csjp
2. a. Are you a citizen of the United States? 1/25
b. Are you a citizen of any other country, if so, what country? No
3. Affiant's Occupation or Profession. PEACEHEALTH VP, ~~HR~~ Sponsorship & Mission Integration
4. Affiant's business address. 14432 SE Eastgate Way Suite 300
Business telephone. 425-649-3833

5. Education and Training:

College/ University	City/ State	Dates Attended (MM/YY)	Degree Obtained	
<u>Seattle University</u>	<u>Seattle WA</u>	<u>1958-1964</u>	<u>BA - Education MA - History</u>	
Graduate Studies:	College/ University	City/ State	Dates Attended (MM/YY)	Degree Obtained
	<u>University of Washington</u>	<u>Seattle WA</u>	<u>1961-1964</u>	<u>MA Social Work</u>

Other Training: Name	City/ State	Dates Attended (MM/YY)	Degree/Certification Obtained
<u>Massage Practitioner</u>	<u>Seattle WA</u>	<u>1993-95</u>	<u>Licensed Massage Therapist</u>

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) Peacotealth

NAIC No. _____
FEIN: _____

6. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>

7. Present or ~~proposed~~ position with the applicant entity. VP Sponsorship & Mission Integration

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) 1961 - 1962 Employer's Name St Joseph School
Address _____ City Wenatchee State/Province WA
Country USA Postal Code _____ Phone _____ Offices/Positions Held Grade School Classroom Teacher
Supervisor / Contact Sisters of St Joseph of Peace

Beginning/Ending Dates (MM/YY) 1962 - 1964 Employer's Name St Genovive High School
Address _____ City Van Nuys State/Province CA
Country USA Postal Code _____ Phone _____ Offices/Positions Held High School Teacher
Supervisor / Contact Sisters of St Joseph of Peace

Beginning/Ending Dates (MM/YY) 1964 - 1968 Employer's Name Blanchet High School
Address _____ City Seattle State/Province WA
Country USA Postal Code _____ Phone _____ Offices/Positions Held _____
Supervisor / Contact Sisters of St Joseph of Peace

Beginning/Ending Dates (MM/YY) 1968 - 1997 Employer's Name Sisters of St Joseph of Peace
Address PO Box 248 City Bellevue State/Province WA
Country USA Postal Code 98007 Phone 425-451-1710 Offices/Positions Held ASST. Prov. Leadership & Provincial Superior
Supervisor / Contact Congregation Leader

Applicant Name (Company) PeaceHealth

NAIC No. _____

FEIN: _____

9. a. Have you ever been in a position which required a fidelity bond? NO If any claims were made on the bond, give details. _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. NO

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued.. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

Organization/Issuer of License WA Dept of Health Address Olym

City Olympia State/Province WA Country USA Postal Code _____

License Type Lic. Massage Therapist License # expired Date Issued (MM/YY) - 1995

Date Expired (MM/YY) _____ Reason for Termination personal decision

Non-insurance Regulatory Phone Number (if known) -

Organization /Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency? NO

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action? NO

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? NO

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? Yes as part of a Peace protest

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses? See d above

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? Weekend jail sentence - for blocking door @ Federal Court house as part of a peace protest
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? No
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? No
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? No
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? No

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

Can't remember the date : Civil action ^{disobedience} peace protest against US policy in Nicaragua

12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. None

If any of the stock is pledged or hypothecated in any way, give details. _____

13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities. No

If any of the shares of stock are pledged or hypothecated in any way, give details. _____

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

14. Have you ever been adjudged a bankrupt? No If yes, provide details _____

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? No

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? No

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? _____

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this 9th day of Sept 2010 at Vancouver, WA. I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Kathleen L. Pruitt, CSTP
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By

Kathleen L. Pruitt, CSTP, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/8/11
My Commission Expires

Applicant Name (Company) Peace Health

NAIC No. _____
FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

<u>Beginning/Ending</u> Dates (MM/YY)	<u>Address</u>	<u>City</u>	<u>State/ Province</u>	<u>Country</u>	<u>Postal Code</u>
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<u>2000-2010</u>					

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 9th day of Sept, 2010 at Vancouver, WA. I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Kathleen L. Pruitt, CSTP
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010. By

Kathleen L. Pruitt, CSTP, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (*All states except California, Minnesota and Oklahoma*)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

Kathleen Lee Pruitt csp _____
(Printed Full Name and Residence Address)

[Signature]
(Signature)

Sept 9th 2010
(Date)

State of WA County of King

The foregoing instrument was acknowledged before me this 9th day of Sept 2010 By Kathleen L. Pruitt, CSTP, and

who is personally known to me, or

who produced the following identification:

[SEAL]



[Signature]
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Page Break

Applicant Name (Company) Peace Health

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names). _____

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

- 1. Affiant's Full Name (Initials Not Acceptable). CAROL ANN Sheridan
- 2. a. Are you a citizen of the United States? Yes
b. Are you a citizen of any other country, if so, what country? _____
- 3. Affiant's Occupation or Profession. RN VP Periop Services
- 4. Affiant's business address. Spokane Heart Med Center 1101 8th Ave Spokane, WA 99220
Business telephone. 509-474-3040
- 5. Education and Training:

College/ University	City/ State	Dates Attended (MM/YY)	Degree Obtained
<u>GONZAGA UNIVERSITY</u>	<u>Spokane, WA</u>	<u>8/1991</u>	<u>MOL</u>

Graduate Studies:	College/ University	City/ State	Dates Attended (MM/YY)	Degree Obtained
	<u>Whitworth College</u>	<u>Spokane, WA</u>	<u>1/1984</u>	<u>Healthcare Mgt.</u>

Other Training: Name	City/ State	Dates Attended (MM/YY)	Degree/Certification Obtained
<u>Nursing</u>	<u>Spokane, WA</u>	<u>6/1968</u>	<u>RN Nursing</u>

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

6. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>
<u>None</u>	<u>WWW.CONE.ORG</u>		

7. Present or proposed position with the applicant entity. Board Member

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) 1-2009 - Present Employer's Name Sacred Heart Medical Center
 Address W101 8th Ave City Spokane State/Province WASH 99220
 Country _____ Postal Code _____ Phone 509-474-3040 Offices/Positions Held VP Periop Services
 Supervisor / Contact Elaine Canture CEO

Beginning/Ending Dates (MM/YY) 3-1992 - 1-2009 Employer's Name Sacred Heart Med Center
 Address W101 8th Ave City Spokane State/Province WASH
 Country _____ Postal Code 99220 Phone 509-474-3040 Offices/Positions Held CNO
 Supervisor / Contact Elaine Canture

Beginning/Ending Dates (MM/YY) 3-1992 - 3-1992 Employer's Name Sacred Heart Medical Center
 Address W101 8th Ave City Spokane State/Province WA
 Country _____ Postal Code 99220 Phone 474-3040 Offices/Positions Held Dir Periop Serv
 Supervisor / Contact Elaine Canture

Beginning/Ending Dates (MM/YY) _____ Employer's Name _____
 Address _____ City _____ State/Province _____
 Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
 Supervisor / Contact _____

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

- 9. a. Have you ever been in a position which required a fidelity bond? NO If any claims were made on the bond, give details. _____
- b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. NO

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

Organization/Issuer of License Wash State DOH Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type RN License # EN00042495 Date Issued (MM/YY) 07 1968

Date Expired (MM/YY) 04-112/2011 Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

Organization /Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

- a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency? NO
- b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action? NO
- c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? NO
- d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? NO
- e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses? NO

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? NO
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? NO
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? NO
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? NO
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? NO

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

- 12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person.

If any of the stock is pledged or hypothecated in any way, give details. _____

- 13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities.

NO

If any of the shares of stock are pledged or hypothecated in any way, give details.

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

14. Have you ever been adjudged a bankrupt? No If yes, provide details _____

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? No

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? No

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? No

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this 9 day of Sept 2010 at Vancouver WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Carol Ann Sheridan
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By Carol Ann Sheridan, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT
Supplemental Personal Information

(Print or Type)

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

Full Name, Address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

1. Affiant's Full Name (Initials Not Acceptable). _____
2. Have you ever used any other name including nickname, maiden name or aliases? ____ If yes, give the reason if any, if none indicate such, and provide the full name(s) and date(s) used.

<u>Beginning/Ending Date(s) Used (MM/YY)</u>	<u>Name(s)</u>	<u>Reason (If None, indicate such)</u>
4/1947 - 4/1969	CAROL ANN RPLINSKI	
4/1969 - 6/1991	CAROL ANN KOIB	Divorce -
8/1993 - Current	CAROL ANN SHRIDAN	Marriage
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: Dates provided in response to this question may be approximate. Parties using this form understand that there could be an overlap of dates when transitioning from one name to another.

3. Affiant's Social Security Number _____
4. Government Identification Number if not a U.S. Citizen _____
5. Foreign Student ID# (if applicable) _____
6. Date of Birth: (MM/DD/YY) _____ Place of Birth: City _____
State/Province WASH Country USA
7. Name of Affiant's Spouse (if applicable) DONALD SHRIDAN

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending Dates (MM/YY)	Address	City	State/Province	Country	Postal Code
3/2007	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
9/2006	1062 W Riverside Ave	Spokane	WA		99201
3/1992	8910 E Argonne Ln	Spokane	WA		99212

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 9 day of Sept, 2010 at Wenatchee WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Cheal Ann Sheridan
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By Cheal Ann Sheridan, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (All states except California, Minnesota and Oklahoma)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

(Printed Full Name and Residence Address)

Carol Ann Sheridan
(Signature)

9/9/10
(Date)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept 2010 By Carol Ann Sheridan, and

who is personally known to me, or

who produced the following identification:

[SEAL]



Stuart P. Hennessy
Notary Public
Stuart P. Hennessy
Printed Notary Name
2/9/11
My Commission Expires

Page Break

Applicant Name (Company) Peace Health

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names). _____

PeaceHealth

14432 SE Eastgate Way, Suite 300

Bellevue, WA 98007-6412

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable). Roland Stewart Trenouth
2. a. Are you a citizen of the United States? yes
b. Are you a citizen of any other country, if so, what country? _____
3. Affiant's Occupation or Profession. M.D.
4. Affiant's business address. 2355 North Shore Rd, Bellingham, WA 98226
Business telephone. (360) 676-0495
5. Education and Training:

<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
<u>Columbia College</u>	<u>New York City, NY</u>	<u>09/1959 - 06/1963</u>	<u>BA</u>

<u>Graduate Studies:</u>	<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
<u>U of Colorado Medical School</u>	<u>Denver, CO</u>	<u>09/64 - 06/68</u>	<u>MD</u>	

<u>Other Training: Name</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree/Certification Obtained</u>

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

6. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>

7. Present or proposed position with the applicant entity. Trustee, Board of Directors _____

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) 09/1975 - 12/2003 Employer's Name North Cascade Cardiology, PLLC _____
 Address 2979 Squalicum Parkway _____ City Bellingham _____ State/Province WA _____
 Country USA _____ Postal Code 98225 _____ Phone (360) 734-2700 Offices/Positions Held MD _____
 Supervisor / Contact Jerry Marschke _____

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____
 Address _____ City _____ State/Province _____
 Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
 Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____
 Address _____ City _____ State/Province _____
 Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
 Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____
 Address _____ City _____ State/Province _____
 Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____
 Supervisor / Contact _____

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

9. a. Have you ever been in a position which required a fidelity bond? No If any claims were made on the bond, give details. _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. No

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued.. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

Organization/Issuer of License State of Washington Dept of Health Address Po Box 47866

City Olympia State/Province WA Country USA Postal Code 98504-7866

License Type Physician License # MDOOO14745 Date Issued (MM/YY) 09/ 1975

Date Expired (MM/YY) 6/26/2007 Reason for Termination Retired

Non-insurance Regulatory Phone Number (if known) (360) 236-2768

Organization /Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency? No

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action? No

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? No

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? No

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses? No

Applicant Name (Company) _____

NAIC No. _____

FEIN: _____

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? No _____
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? NO _____
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? No _____
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? No _____
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? No _____

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

- 12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. None _____

If any of the stock is pledged or hypothecated in any way, give details. _____

- 13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities.

No _____

If any of the shares of stock are pledged or hypothecated in any way, give details.

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

14. Have you ever been adjudged a bankrupt? No _____ If yes, provide details _____
15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.
- a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? No _____
 - b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? No _____
 - c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? No _____

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this 9th day of Sept 2010 at Vancouver, Wash I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Roland Tremont

(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By

Roland Tremont, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending

<u>Dates</u> (MM/YY)	<u>Address</u>	<u>City</u>	<u>State/ Province</u>	<u>Country</u>	<u>Postal Code</u>
06/1975					

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 9th day of Sept, 2010 at Vancouver, WA. I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Roland S. Tremoult
(Signature of Affiant)

State of Washington County of King

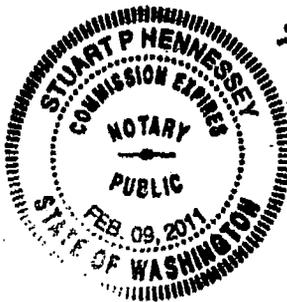
The foregoing instrument was acknowledged before me this 9th day of Sept, 2010 By

Roland S. Tremoult, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Applicant Name (Company) _____

NAIC No. _____
FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (*All states except California, Minnesota and Oklahoma*)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.
Roland Stewart Trenouth, _____

(Printed Full Name and Residence Address)

Roland S. Trenouth
(Signature)

9/9/10
(Date)

State of Washington County of King

The foregoing instrument was acknowledged before me this 9th day of Sept 2010 By Roland S. Trenouth, and

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Stuart P. Hennessey
Notary Public
Stuart P. Hennessey
Printed Notary Name
2/9/11
My Commission Expires

Page Break

FedEx US Airbill
Express

FedEx
Tracking
Number

8696 9208 2274

0215

Recipient's Copy

RECIPIENT: PEEL HERE

1 From *This portion can be removed for Recipient's records.*

Date: 9/20/2010 FedEx Tracking Number: 869692082274

Sender's Name: [Handwritten] Phone: [Handwritten]

Company: [Handwritten]

Address: [Handwritten] Dept./Floor/Suite/Room: [Handwritten]

City: [Handwritten] State: [Handwritten] ZIP: [Handwritten]

2 Your Internal Billing Reference

[Handwritten]

3 To

Recipient's Name: [Handwritten] Phone: [Handwritten]

Company: [Handwritten]

Recipient's Address: [Handwritten] Dept./Floor/Suite/Room: [Handwritten]

Address: [Handwritten]

City: [Handwritten] State: [Handwritten] ZIP: [Handwritten]



8696 9208 2274

4a Express Package Service

FedEx Priority Overnight
Next business morning, * Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx Standard Overnight
Next business afternoon, Saturday Delivery NOT available.

FedEx First Overnight
Earliest next business morning delivery to select locations, * Saturday Delivery NOT available.

FedEx 2Day
Second business day, * Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx Express Saver
Third business day, * Saturday Delivery NOT available.

* To meet location: [Handwritten]

4b Express Freight Service

FedEx 1Day Freight[®]
Next business day, ** Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx 2Day Freight
Second business day, ** Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx 3Day Freight
Third business day, ** Saturday Delivery NOT available.

** To meet location: [Handwritten]

5 Packaging

FedEx Envelope[®]

FedEx Pak[®]
includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak.

FedEx Box

FedEx Tube

Other

* Declared value limit \$500.

6 Special Handling

SATURDAY Delivery
Not available for FedEx Standard Overnight, FedEx First Overnight, FedEx Express Saver, or FedEx 3Day Freight.

HOLD Weekday at FedEx Location
Not available for FedEx First Overnight.

HOLD Saturday at FedEx Location
Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations.

Includes FedEx address in Section 3.

Does this shipment contain dangerous goods?
One box must be checked.

No Yes As per attached Shipper's Declaration. Yes Shipper's Declaration not required.

Dry Ice Dry Ice, 9 UN 1845 to [Handwritten]

Cargo Aircraft Only

Dangerous goods (including dry ice) cannot be shipped in FedEx packaging.

7 Payment Bill to: [Handwritten] Enter FedEx Acct. No. or Credit Card No. below. Obtain Recip. Acct. No.

Sender [Handwritten] Recipient Third Party Credit Card Cash/Check

Total Packages: [Handwritten] Total Weight: [Handwritten]

Credit Card Auth. [Handwritten]

8 Residential Delivery Signature Options If you require a signature, check Direct for indirect.

No Signature Required
Package may be left without obtaining a signature for delivery.

Direct Signature
Someone at Recipient's address may sign for delivery. Fee applies.

Indirect Signature
If no one is available at recipient's address, someone at a neighboring address may sign for delivery. Fee applies.

519

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The World On Time

FedEx
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0215

TUE - 21 SEP AA
PRIORITY OVERNIGHT
DSR

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WA-US
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Legal

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MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



Phone: (360) 725-7000
www.insurance.wa.gov

Please reply to:
PO Box 40259
Olympia, WA 98504-0259
FAX: (360) 586-2022

OFFICE OF
INSURANCE COMMISSIONER

October 26, 2010

MERIDITH VAUGHAN
SYSTEM DIRECTOR, PLANNING AND STRATEGY
PEACEHEALTH
14432 SE EASTGATE WAY, SUITE 300
BELLEVUE, WA 98007-6412

Re: Form A Filing dated September 3, 2010 – Proposed Acquisition of Control of
Columbia United Providers

Dear Ms. Vaughan:

We are continuing our review of the above Form A filing received on September 8, 2010. The OIC review is on hold until we receive your response to this letter. Please respond in the order as presented in this letter.

1. The Form A filing does not include the definitive agreement reached between PeaceHealth and Southwest Washington Health Systems. Please explain the status of that arrangement and provide any formally signed agreement between the two entities.
2. As you know, the OIC requested the antitrust division of the Washington Attorney General Office to review the filed Form A statement and attachments. They asked for the following additional information:
 - a. It would be helpful to see (1) the top five commercial payors for PeaceHealth and Southwest Washington Health system; and
 - b. The payor mix for Southwest Washington Health System (PeaceHealth already identified this in its financial statements).
 - c. Also, we understand from CUP's financial statement that all of CUP's revenue comes from the state through its participation in Healthy Options and the Basic Health Plan, but it would be helpful for CUP to clarify whether commercial payors are part of its payor mix.
3. As part of the review, we review third party verification reports of the PeaceHealth's directors and officers. Can you tell us when the background information for each director or officer was checked by an outside source such as the Washington State Patrol or third-party verification firm? If those verifications were performed less than the last six months, please provide copies of those reports to supplement their affidavits. If not, please inform us how those background checks will be performed before we proceed to the hearing process.
4. Please provide the latest business plan of PeaceHealth and any financial projection or forecast for the next three to five years, whichever is available.

October 26, 2010

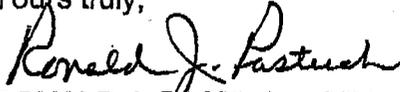
Page 2

5. Please provide copies of any letter of intent, plans of merger, board resolutions, draft articles of merger, or other documents relating to Title 24 RCW that pertain to this proposed affiliation.
6. If available, please provide PeaceHealth's 2010 consolidated financial statement.

As to these filing, please be advised the filing is incomplete and therefore the filing is tolled. Our review will commence when we receive the response to this letter.

If you have any questions, please call me at 360-725-7211 or Marcia Stickler, OIC Staff Attorney, at 360-725-7048.

Yours truly,



RONALD J. PASTUCH, CPA
Holding Company Manager
Company Supervision Division
Fax: 360-586-2022

cc: Marcia Stickler, Staff Attorney



PeaceHealth

RECEIVED

October 29, 2010

NOV 04 2010

INSURANCE COMMISSIONER
COMPANY SUPERVISION

Ronald Pastuch, Holding Company Manager
Office of the Insurance Commissioner
State of Washington
5000 Capitol Blvd.,
Tumwater, WA 98501

RE: Form A Filing dated September 3, 2010 – Proposed acquisition of Control of
Columbia United Providers

Dear Mr. Pastuch:

In response to your request for further information regarding PeaceHealth's Form A filing on September 3, 2010, attached you will find our response for each question and the documents necessary to complete this request.

As I have discussed with you, we are quickly approaching our Closing date of December 31, 2010 and are hopeful that we will complete this process well before then.

Please feel free to contact me at (425) 649-3885 at any time with questions. We appreciate all of your help and look forward to working with you in the coming weeks.

Sincerely,

A handwritten signature in cursive script that reads "Meredith Vaughan".

Meredith Vaughan
System Director, Planning and Strategy

CC: Peter Adler, Senior Vice President, Strategy, Innovation and Development



**Response to Request for Information
Columbia United Providers – Form A**

QUESTION 1. The Form A filing does not include the definitive agreement reached between PeaceHealth and Southwest Washington Health Systems. Please explain the status of that arrangement and provide any formally signed agreement between the two entities.

The Definitive Agreement (Affiliation Agreement) between PeaceHealth and Southwest Washington Health System remains in progress and is nearly complete. Once a final version is executed by both parties, PeaceHealth will contact the OIC to discuss next steps for filing. In the meantime, the final Letter of Intent, signed by both parties, is included for reference.

QUESTION 2. As you know, the OIC requested the antitrust division of the Washington Attorney General Office to review the filed Form A statement and attachments. They asked for the following additional information:

- a. It would be helpful to see (1) the top five commercial payors for PeaceHealth and Southwest Washington Health System**

The top five commercial payors for PeaceHealth are:

Blue Cross

Regence

Pacificsource

HMA

Group Health

The top five commercial payors for Southwest Washington Health System are:

Kaiser

Regence

Providence

United Healthcare

Premera

- b. The payor mix for Southwest Washington Health System (PeaceHealth already identified this in its financial statements).**

The payor mix for Southwest Washington Health System is:

Self pay = 18%

Medicaid managed care = 4%

Medicare managed care = 5%

Commercial = 51%

Medicare = 19%

Medicaid = 3%

- c. Also, we understand from CUP's financial statement that all of CUP's revenue comes from the state through its participation in Healthy Options and the Basic Health Plan, but it would be helpful for CUP to clarify whether commercial payors are part of its payor mix.**

As confirmed by Ann Wheelock, CUP's President and CEO, "all of Columbia United Providers' current premium revenue comes from the State of Washington Health Care Authority, by way of contracts for Healthy Options, SCHIP and Basic Health membership."

QUESTION 3. As part of the review, we review third party verification reports of the PeaceHealth's directors and officers. Can you tell us when the background information for each director or officer was checked by an outside source such as the Washington State Patrol or third-party verification firm? If those verifications were performed less than the last six months, please provide copies of those reports to supplement their affidavits. If not, please inform us how those background checks will be performed before we proceed to the hearing process.

Please see the attached Washington State Patrol background check for each member of the PeaceHealth Board of Directors (Attachment 1)

QUESTION 4. Please provide the latest business plan of PeaceHealth and any financial projection or forecast for the next three to five years, whichever is available.

Please see the attached PeaceHealth Board-approved Long Range Financial Plan (Attachment 2)

QUESTION 5. Please provide copies of any letter of intent, plans of merger, board resolutions, draft articles of merger, or other documents relating to Title 24 RCW that pertain to this proposed affiliation.

Please see the attached Letter of Intent (Attachment 3)

Over the next two weeks, final Board resolutions are anticipated to be adopted and signed by both the PeaceHealth and the SWHS Boards of Directors. Copies of each will be sent to the OIC upon completion.

QUESTION 6. If available, please provide PeaceHealth's 2010 consolidated financial statement.

Please see the attached PeaceHealth financial audit report for FY2010 (Attachment 4).

Attachment 2

**PeaceHealth Consolidated FY 2011 Budget and
Long Range Financial Plan (LRFP)**

- LRFP covers the FY 2011 budget plus ten years projected, from FY 2012 through 2021
- Consolidated results are for the Obligated Group only (does not include Health Ventures, however, regions have included their investments in Health Ventures and cash distributions (income) received from HV)

June 2010 LRFPP Summary

- Regions and system are projecting to achieve **FY 2010** budget for liquidity and profitability:
 - Liquidity (Days of Cash and Investments):
 - Budget = 153
 - Projected at 6/30/10 = 174
 - Operating EBITDA (\$000's):

	<u>FY 10 Budget</u>	<u>FY 10 Projected</u>	<u>Variance</u>
Alaska	\$ 2,971	\$ 5,335	\$ 2,363
Whatcom	35,278	35,717	439
LCR	27,675	29,044	1,369
Oregon	63,746	66,097	2,351
Siuslaw	3,518	2,932	(586)
PHL	4,097	1,863	(2,234)
Total System	\$ 131,708	\$ 135,836	4,128

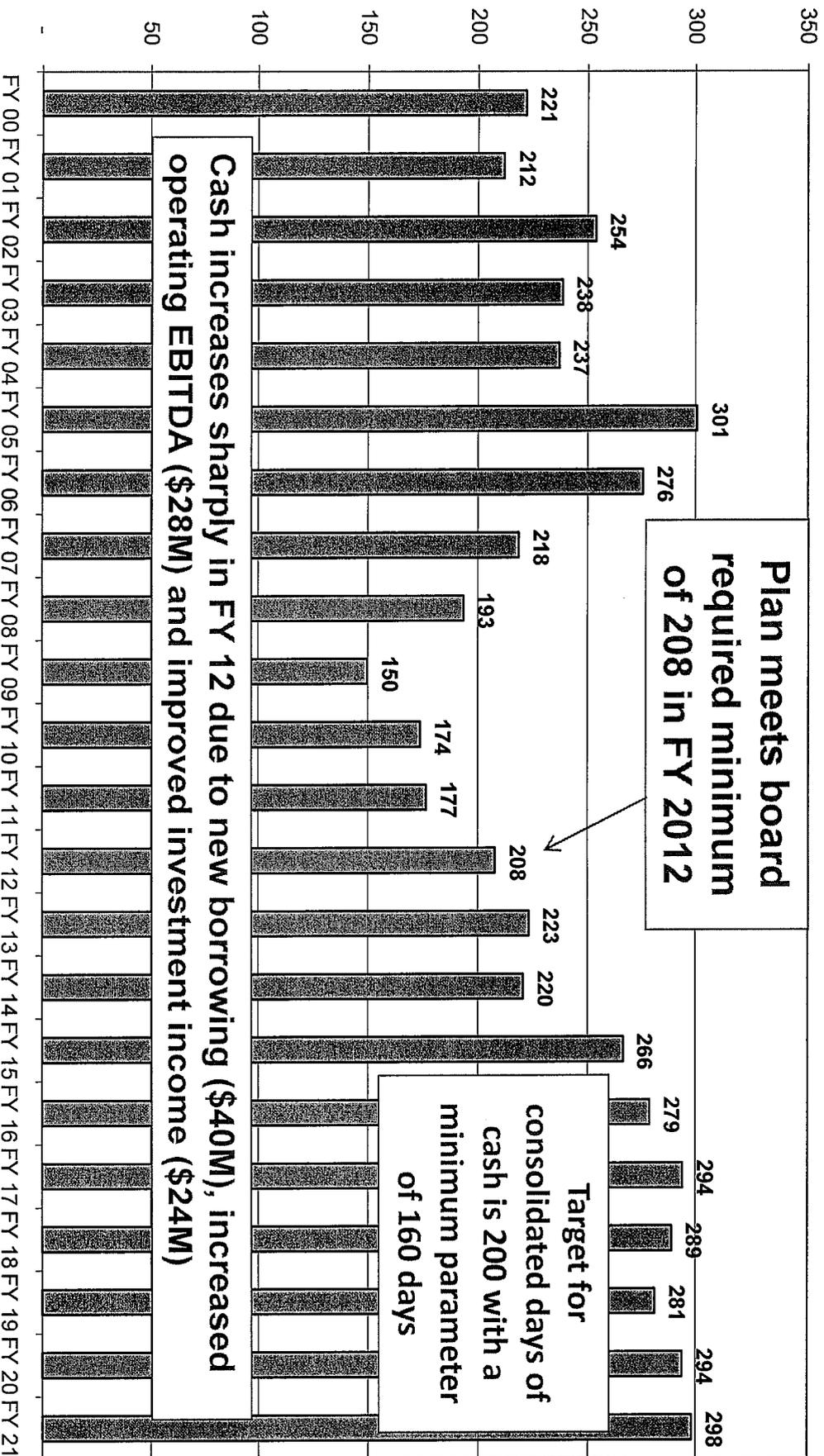
Only Siuslaw and PHL are not projecting to hit FY10 operating EBITDA budget

June 2010 LRFPP Summary

- **Plan meets minimum liquidity and profitability target for FY 2012**
 - Days of cash in 2012 = 208
 - Region's achieve minimum operating EBITDA thresholds in FY 2012:
 - Large regions = 12%
 - Siuslaw, PHL = 7%
 - Alaska = 5.5%
 - FY 2011 budget generally gets us half-way to the FY 2012 targets

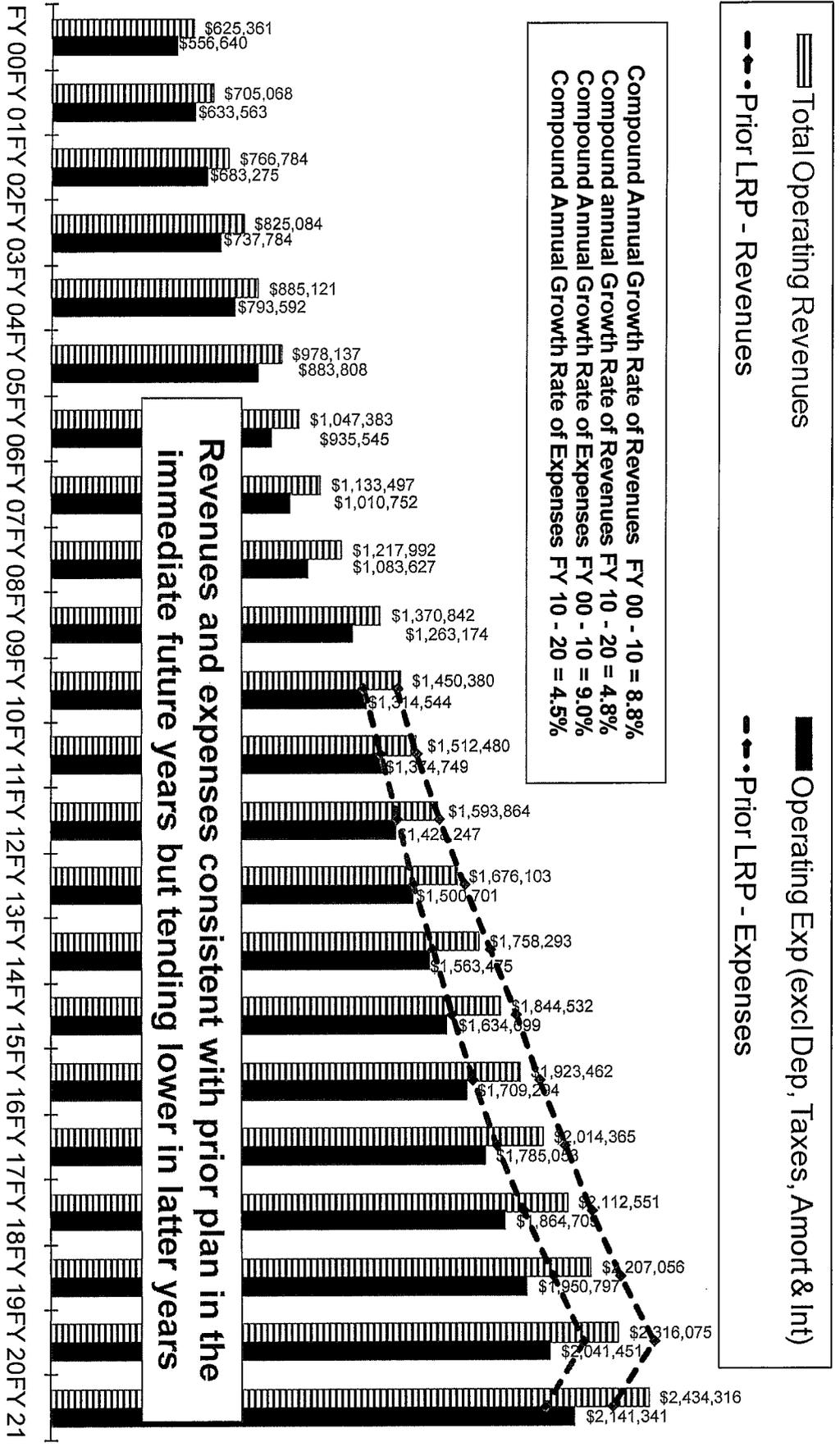
Note: 1st run of the consolidated budget resulted in 205 days cash. CFO Team determined that investment earnings could be increased in FY 11 by 0.5% and \$9M of capital deferred from FY 12 to FY 13 to increase days cash to the target of 208.

PeaceHealth Consolidated Days of Cash and Investments on Hand



Operating Revenues and Expenses (excluding ITDA)

FY 2000 - 2009 Actual
FY 2010 - 2020 Projected
(\$ 000's)

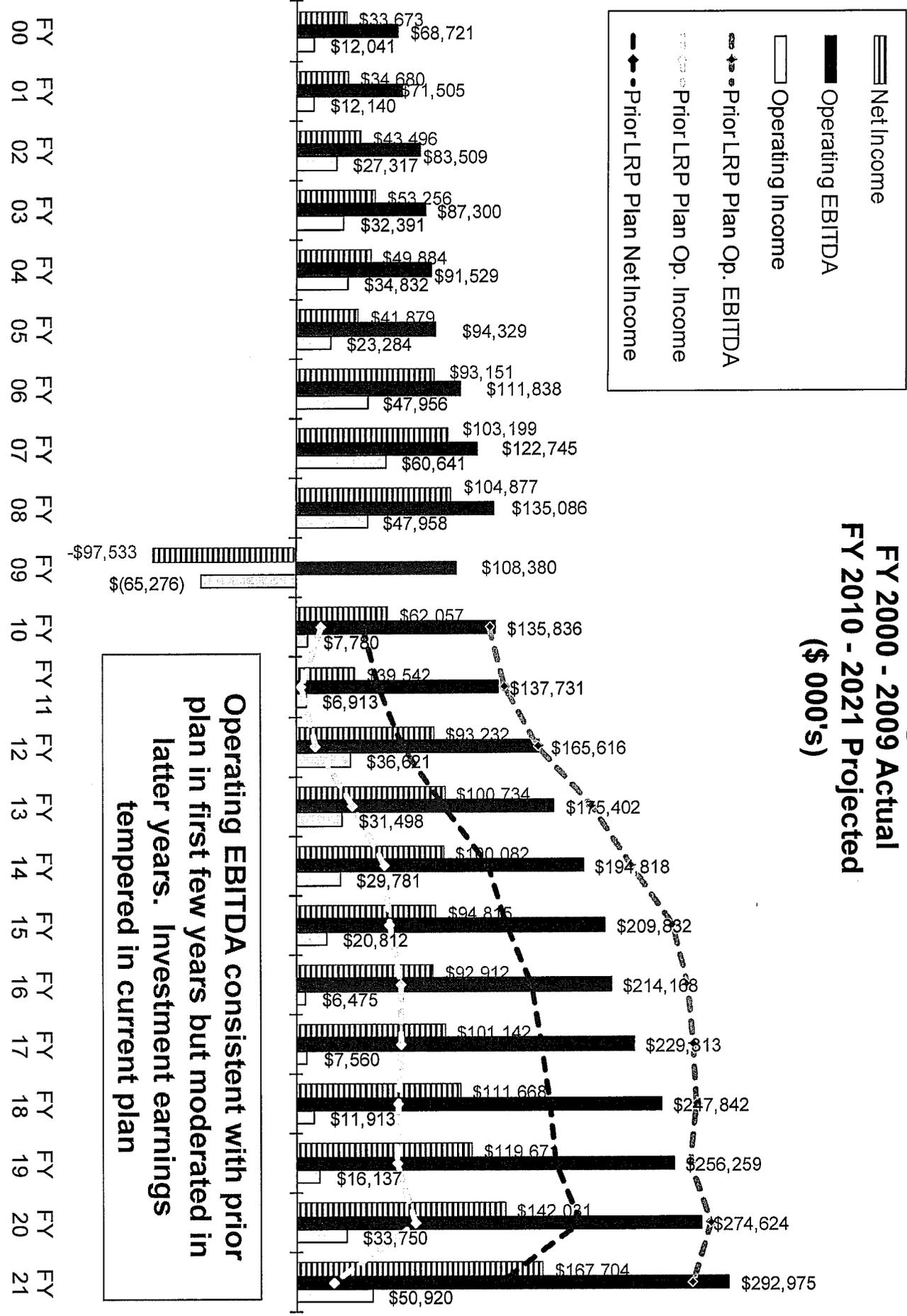


Earnings

FY 2000 - 2009 Actual

FY 2010 - 2021 Projected

(\$ 000's)



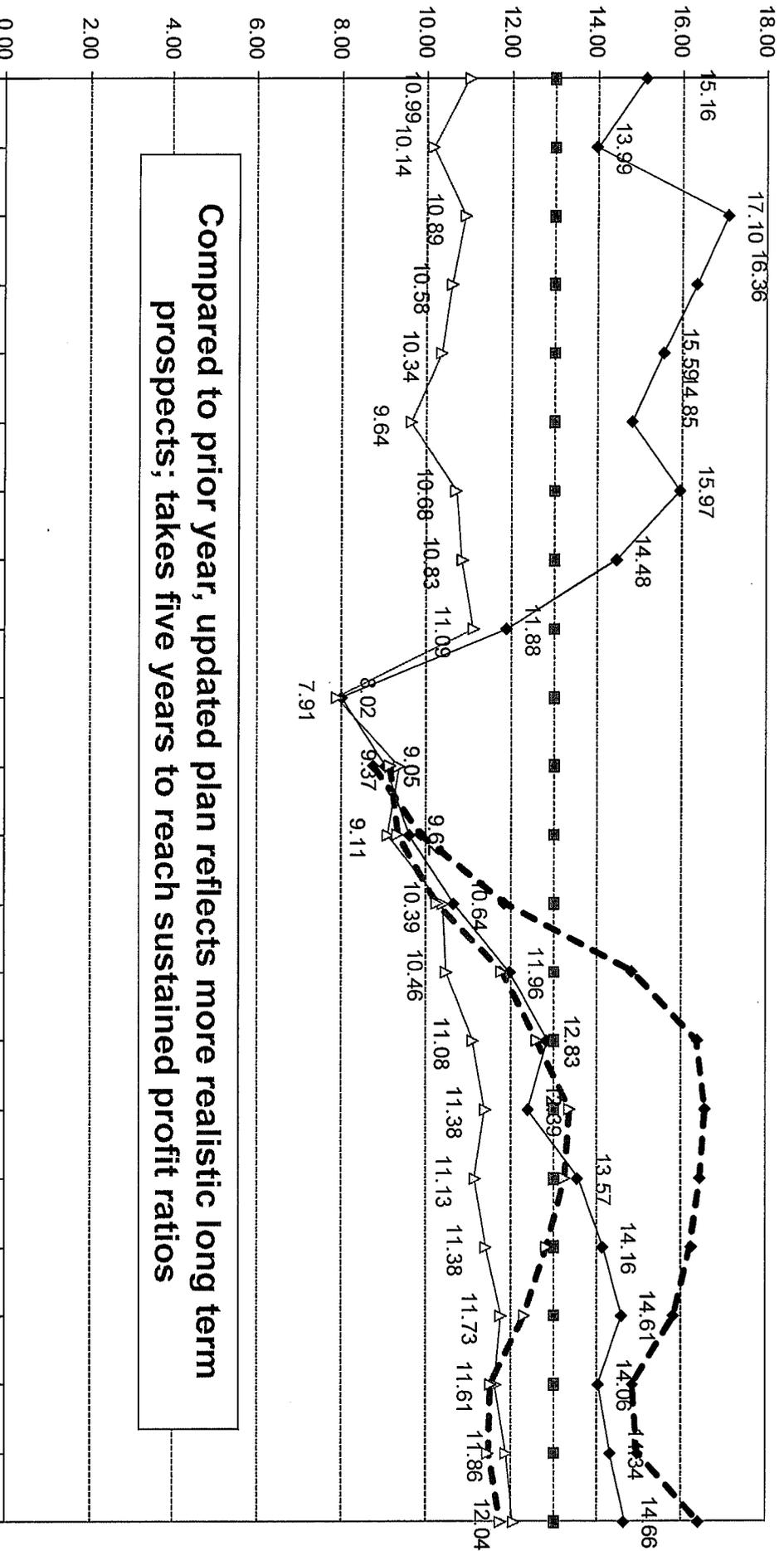
Operating EBITDA consistent with prior plan in first few years but moderated in latter years. Investment earnings tempered in current plan

Earnings Ratios

FY 2000 - 2009 Actual
FY 2010 - 2021 Projected

(%)

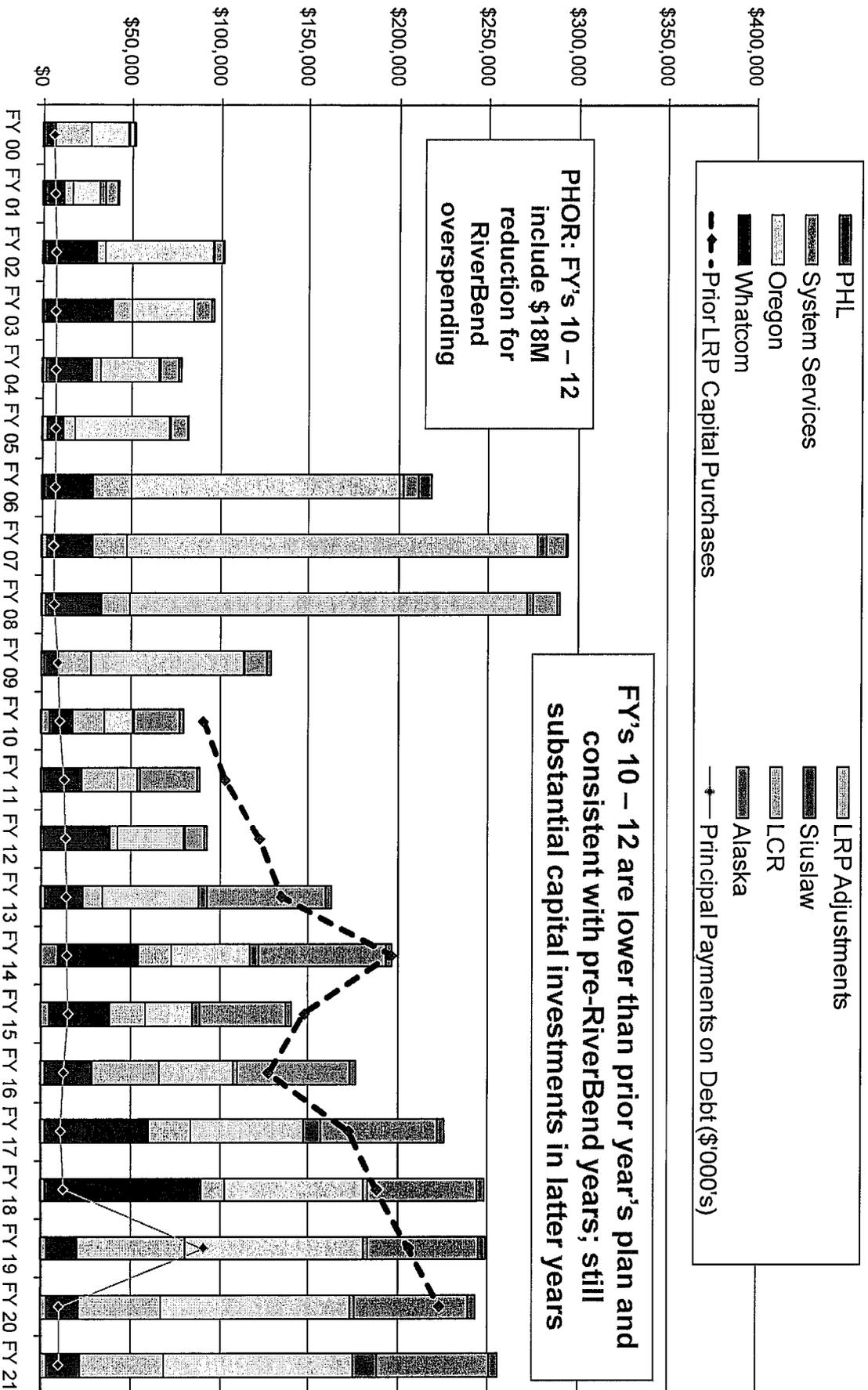
- ◆ Operating EBITDA Return on Op. Assets
- 10 Year Minimum Avg. for Op. EBITDA Return on Op. Assets (13%)
- △ Operating EBITDA Margin
- ◆ Prior Yr Plan Op. EBITDA Return on Op. Assets
- △ Prior Yr Plan Op. EBITDA Margin



Compared to prior year, updated plan reflects more realistic long term prospects; takes five years to reach sustained profit ratios

FY 00 FY 01 FY 02 FY 03 FY 04 FY 05 FY 06 FY 07 FY 08 FY 09 FY 10 FY 11 FY 12 FY 13 FY 14 FY 15 FY 16 FY 17 FY 18 FY 19 FY 20 FY 21

Capital Expenditures and Payments on Debt (\$ 000's)



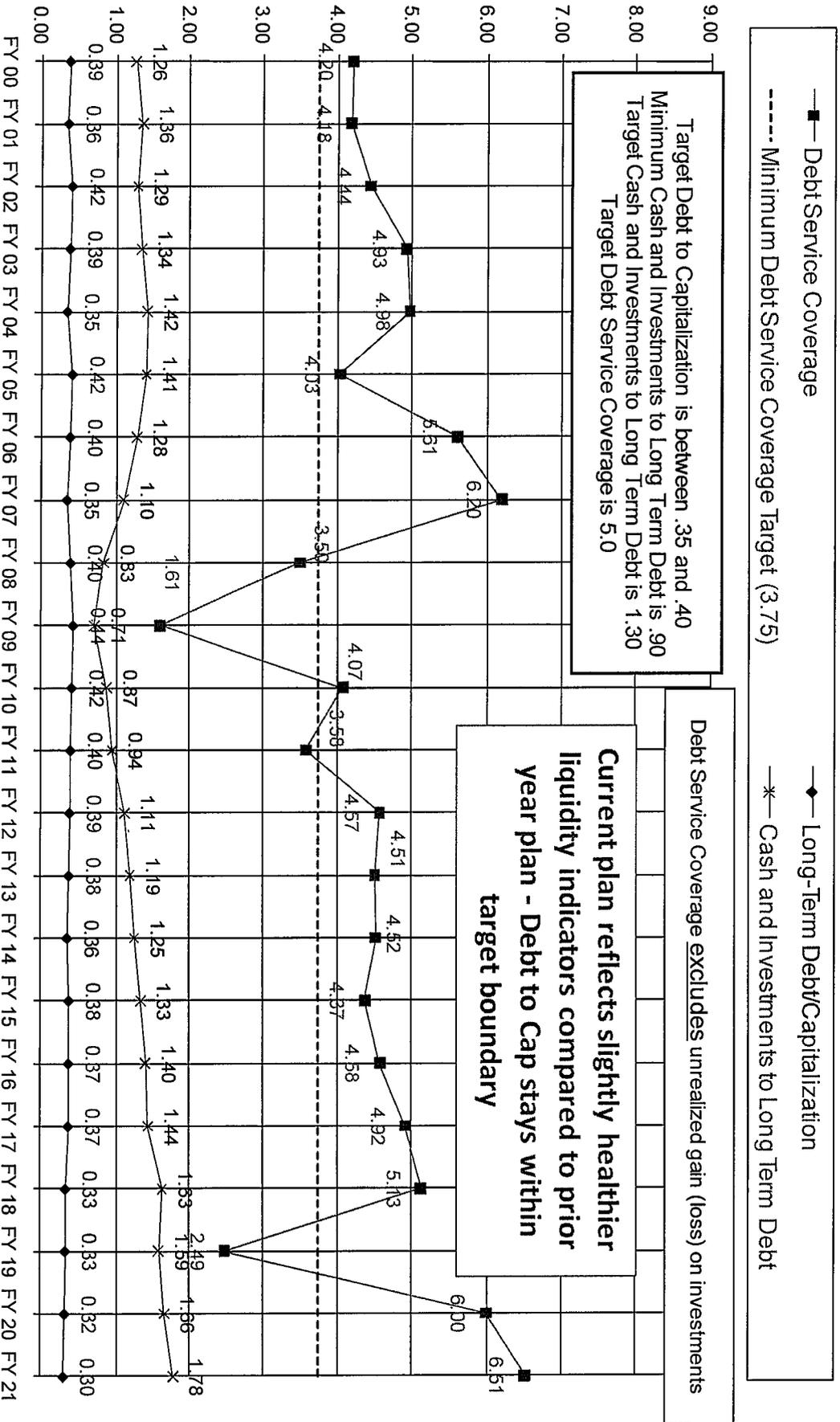
Capital Allocation Plan

Have almost \$100M on projects already started

PeaceHealth Capital Plan (\$000's)	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Total	
Initiatives in Progress	\$56,450	\$ 31,831	\$ 9,030	\$ 1,616	\$ 1,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,941	6%
IT Infrastructure and other < \$1M	4,000	4,150	5,305	5,464	5,628	5,797	5,971	6,150	6,335	6,525	55,325	3%
Regional Discretionary Pools	24,749	32,863	52,074	55,004	57,642	59,969	62,403	65,222	68,250	71,541	549,717	35%
Unallocated Contingency	4,000	4,000	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	192,285	12%
New System Initiatives	3,756	1,248	24,465	16,396	10,936	20,000	20,000	20,000	20,000	20,000	156,800	10%
Growth and Expansion	-	-	10,000	20,000	10,000	15,000	15,000	10,000	10,000	10,000	100,000	6%
New Region Initiatives	860	26,100	33,631	78,586	40,013	39,235	55,250	73,250	50,000	35,000	431,925	27%
Total Capital Purchases	\$93,815	\$100,191	\$154,505	\$197,866	\$146,865	\$162,498	\$182,021	\$198,955	\$179,891	\$169,385	\$1,585,992	100%

Capital in FY 11 and FY 12 restricted to finishing what we have already started, plus minimal amounts for infrastructure (system and regional discretionary pools) and new initiatives to qualify for the HiTech incentive payments and to start the PHOR University District Renewal Project (not yet approved)

Capital Structure Ratios
FY 2000 - 2009 Actual
FY 2010 - 2021 Projected



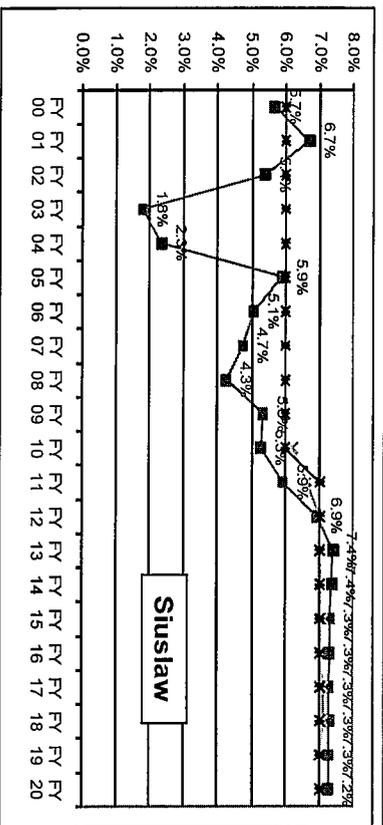
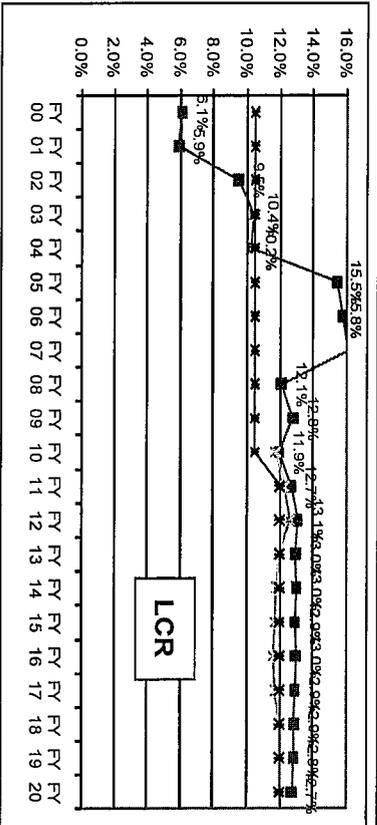
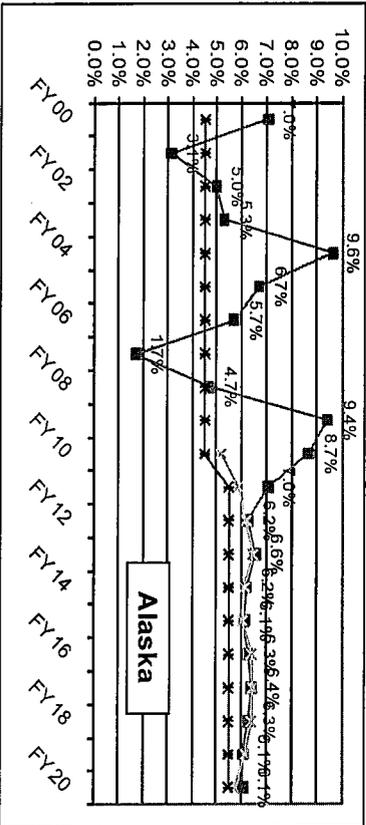
All regions achieve FY 2012 profit targets established in February LRRFP

PeaceHealth

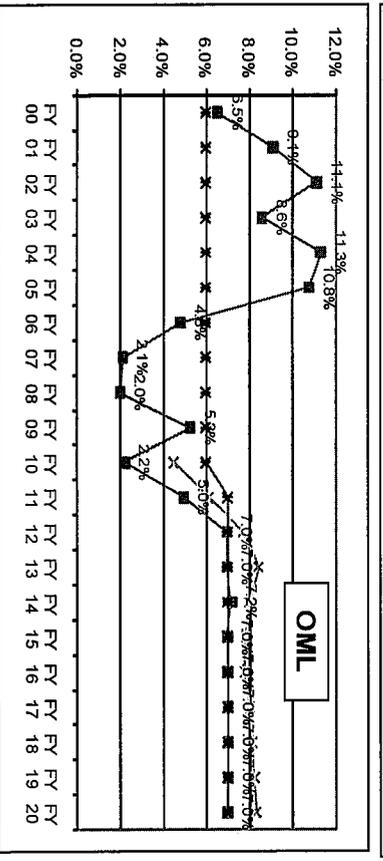
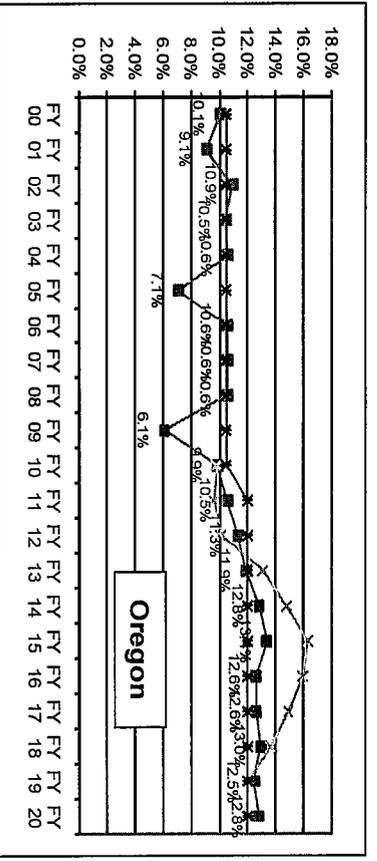
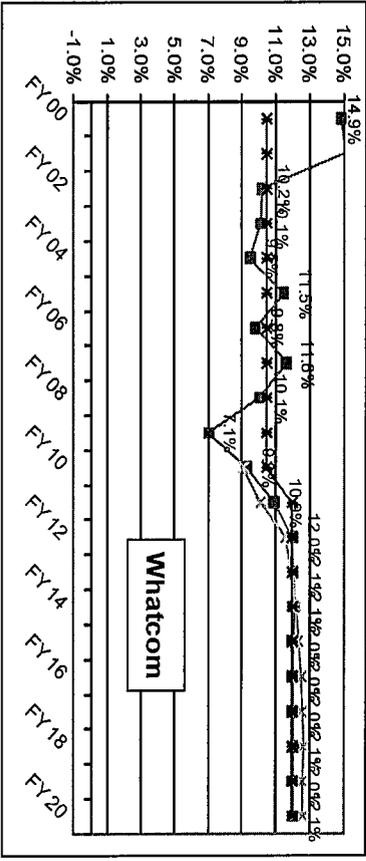
Operating EBITDA Margin

FY 2000 - 2009 Actual

FY 2010 - 2020 Projected



Operating EBITDA Margin
 Operating EBITDA Margin Target
 Prior Plan Op EBITDA Margin





March 26, 2010

Mr. Alan Yordy
President and CMO
PeaceHealth
14432 SE Eastgate Way, Suite 300
Bellevue, WA 98007-6412

Subject: Letter of Intent Regarding Affiliation of Southwest Washington Health System and PeaceHealth

Dear Alan:

This letter (the "Letter of Intent") serves to outline the general parameters of the review and discussion (the "Process") between Southwest Washington Health System, a Washington non-profit corporation and Southwest Washington Medical Center ("SWMC"), and component entities, all collectively referred to as ("SWHS") and PeaceHealth, a Washington non-profit corporation ("PH"), with respect to a possible affiliation between SWHS and PH for SWHS to become a part of PH (the "Affiliation"). PH responded to a request for proposal submitted by SWHS. The decision by SWHS to select PH was in great part based on PH's formal response and subsequent clarifications to its response. The parties are interested in studying the benefits, possible legal structures and business arrangements relating to the Affiliation with the intent of the Process resulting in a Definitive Agreement.

1. TERMS AND CONDITIONS OF AFFILIATION

PH and SWHS will negotiate in good faith to determine the terms of the Affiliation that will be mutually agreed upon in a Definitive Agreement. The parties have identified certain preliminary "Terms and Conditions" related to the Affiliation and the negotiation process that are set forth below:

1.1 PH and SWHS will collaborate to integrate (governance, operations and patient care) PH's Lower Columbia Region and SWHS into a single PeaceHealth region that will provide healthcare to all of southwest Washington State.

1.2 SWHS will serve as the tertiary centerpiece of PH's Southwest Washington/Columbia region.

1.3 In accord with their regional responsibilities, SWHS Executive Team members (actually, the new SW Washington/Columbia Region Executive Team members) will each serve on relevant system-wide decision-making teams and counterpart groups.

Vancouver 360 256.2000
Portland 503 972.3000
Web www.sw-health.org

1.4 SWHS placed significant weight in selecting PH based on creation of a system-wide Shared Services Center (approximately 800+ employees) in Vancouver, Washington. PH is committed to creating such a system wide center, and must first complete an internal review process and an initial Shared Services Due Diligence review with SWHS before making a final decision. It is anticipated that the internal PH review will be completed in June 2010. The parties recognize that completion of a Definitive Agreement is conditioned on PH's selection of Vancouver, Washington as its site for its Shared Services Center.

1.5 SWHS and PH will discuss the potential of relocating PH headquarters to Vancouver, Washington.

1.6 PH and SWHS will create a single, 140+ physician Southwest Washington/Columbia Region-based PeaceHealth Medical Group ("PHMG-SWC") as soon as practical.

1.7 PH and SWHS will immediately begin recruiting physicians identified in a PHMG-SWC business plan to fill open positions in PHMG-SWC and heavily promote early recruiting successes.

1.8 PH and SWHS will review integrating SWHS physician joint ventures with PH's tax-exempt joint venture structure ("Health Ventures").

1.9 PH and SWHS will evaluate each of SWHS' current free-standing clinics for potential eligibility for Provider-Based ("PBE") status and implement those that meet established PeaceHealth PBE policy and business plan criteria.

1.10 PH and SWHS will migrate IT operations and data centers so as to operate on a single PeaceHealth IT platform and PH data center for all clinical and administrative systems.

1.11 PH and SWHS will evaluate, and where supported by an approved business plan, will expand SWHS' Medicaid financing operations in Southwest Washington and other PH regions.

1.12 PH will consolidate and integrate the SWHS Supply Chain, procurement and GPO relationship with PeaceHealth's Premier/Catholic Contract Group products, and implement possible standardized national best practices for purchased supplies and services. Regardless of whether the parties enter the Definitive Agreement, PH guarantees to SWHS the ability to become a member in the Premier group purchasing organization.

1.13 It is extremely important to SWHS that members of its current Board of Directors have a meaningful role in governance for PH's new Southwest Washington/Columbia Region, which would include SWHS and PeaceHealth's current

Lower Columbia Region. The parties are committed during the negotiation phase to explore options for governance that will meet the needs of SWHS and PH.

1.14 The parties will review core clinical services at SWHS and core clinical services will be an element of the Definitive Agreement.

1.15 Review and approval of the SWHS capital and operating budgets by PH will consider the soundness of the budgets in light of the evolving health care delivery system and health care reimbursement methodologies, the needs of southwest Washington residents, short-term and long-term strategic plans, and the history of services and programs at SWHS.

1.16 PH will appoint two representatives, nominated by the SWHS Board, to serve on PH's Board of Directors.

1.17 PH will not discriminate against SWHS employees and will treat SWHS employees with regard to employment practices, compensation, benefits, training, and access to educational programs consistent with PH employees holding comparable positions at other PH facilities. PH will respect the culture and history of SWHS and its mission to serve patients and maintain the commitment to support community health related activities in the primary service area consistent with PeaceHealth's Mission.

1.18 The parties will discuss a process to be followed involving the local community in the event PH ever elects to close the SWMC inpatient hospital, discontinue sponsorship or affiliation, or to sell, lease or transfer SWMC, or a major portion of SWHS operation, to an unrelated entity.

1.19 Where appropriate, the SWHS Foundation will be a party to the Definitive Agreements. Subject to any legal and financing requirements, PH will support the continued existence of the SWHS Foundation as a separate legal entity. PH shall cooperate with the SWHS Foundation to serve as a public funding vehicle for SWHS so long as the SWHS Foundation continues to actively engage in fundraising and other efforts to support SWHS.

2. DEFINITIVE AGREEMENTS

If, after having negotiated in good faith, PH and SWHS are able to reach an agreement regarding the structure and terms of agreements, relating to the Affiliation, definitive agreements will be completed as soon as possible (the "Definitive Agreements"). It is the parties' mutual intent to complete the Definitive Agreements by no later than September 30, 2010. The Definitive Agreements shall be conditioned upon satisfactory completion of due diligence, the approval of PH's Board of Directors, approval of SWHS's Board of Directors and necessary regulatory approvals.

3. PERIOD OF EXCLUSIVE DEALING

PH and SWHS agree that during the period from the date PH and SWHS execute this letter until it is terminated (the "Development Period"), neither of the parties nor any entity controlled by, or under common control with, the parties will undertake or pursue any discussions, negotiations, agreements, or dealings with any other person or entity regarding a similar affiliation or acquisition in southwest Washington without the express written approval of the other party.

4. DUE DILIGENCE

Upon mutual acceptance of this Letter of Intent, the parties will use best efforts to complete a "due diligence" investigation within a period of one hundred twenty (120) days from the date of acceptance of this Letter of Intent (the "Due Diligence Period"). Consistent with applicable legal or contractual restrictions, each party shall provide the other and its agents with full access to the information necessary for such party to complete its investigation of the appropriateness of the Affiliation. The parties shall work together in good faith during the Due Diligence Period to complete the necessary investigations in as prompt a manner as possible. The exchange of information during the Due Diligence Period shall be governed by the Confidentiality Agreement (as that term is defined below in Section 7).

5. COOPERATION ON REGULATORY APPROVALS

The parties agree to work together cooperatively in securing all necessary regulatory approvals for the Affiliation.

6. TERMINATION RIGHTS

At any time, either party shall have the right, on thirty days (30) written notice to the other party, to immediately terminate the process outlined above, after which no party shall have any further rights or obligations hereunder, other than the obligations provided in the November 23, 2009, confidentiality agreement which shall specifically survive such termination.

7. CONFIDENTIALITY AND PUBLIC DISCLOSURE

The parties acknowledge and agree that during the Development Period the terms and conditions described in this Letter of Intent, including its existence, shall be confidential information subject to the confidentiality agreement dated November 23, 2009, by and between SWHS and PH, attached hereto as Attachment 1 and incorporated herein by this reference (the "Confidentiality Agreement") and shall not be disclosed to any third party other than attorneys and consultants as necessary to pursue the Affiliation. Before the execution of Definitive Agreements, all releases or disclosures

to third parties of any information or documents relating to the Affiliation and these discussions shall be subject to the Confidentiality Agreement.

8. EXPENSES

Unless mutually agreed otherwise, each party shall bear its own expenses incurred in connection with this Letter of Intent and the process described herein.

9. NON-BINDING NATURE

PH and SWHS acknowledge and agree that they have agreed to negotiate in good faith on a Definitive Agreement between them with respect to the Affiliation. Unless and until the Definitive Agreement has been executed and delivered, neither party will have any other legal obligation of any kind whatsoever with respect to the Affiliation except as otherwise set forth herein.

10. NOTICE PROVISION

All notices hereunder by either party to the other shall be in writing, delivered personally, by certified mail, return receipt requested, or by over-night courier service, and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail or with the over-night courier service, postage prepaid, addressed as follows:

If to PH:

PeaceHealth
C/o Alan Yordy, President & CMO
14432 SE Eastgate Way, Suite 300
Bellevue, WA 98007-6412

Copies to:

Peter Adler, SVP Strategy, Innovation & Development
14432 SE Eastgate Way, Suite 300
Bellevue, WA 98007-6412

Stuart Hennessey, SVP, General Counsel
14432 SE Eastgate Way, Suite 300
Bellevue, WA 98007-6412

If to SWHS:

Southwest Washington Health System
C/o Joseph M. Kortum, President & CEO
400 NE Mother Joseph Place
Vancouver, WA 98664

Copies to:
Craig Armstrong, General Counsel
Southwest Washington Health System
400 NE Mother Joseph Place
Vancouver, WA 98664

Robert J. Walerius
Miller Nash LLP
4400 Two Union Square, 601 Union Street
Seattle, WA 98101

11. SUPERSEDES PRIOR AGREEMENTS

This Letter of Intent and the Confidentiality Agreement represent the entire agreement of the parties with respect to the subject matter herein and supersede all prior understandings and agreements of the parties, oral or written, not contained herein.

12. AUTHORITY

PH and SWHS each represent and warrant that the person executing this Letter of Intent on its behalf has the authority to negotiate and enter into this Letter of Intent. This Letter of Intent may be executed in counterparts each of which together will be deemed one instrument.

If the foregoing reflects your understanding of our agreement, please execute this Letter of Intent in the space provided below and return a copy to me for our files.

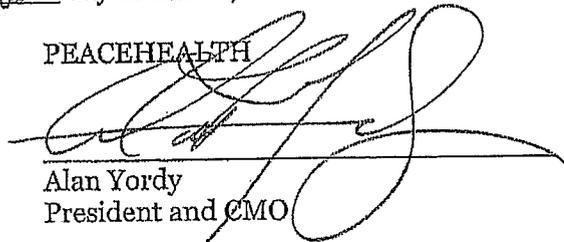
Sincerely,
SOUTHWEST WASHINGTON HEALTH SYSTEM



Joseph M. Kortum
President and CEO

Accepted and agreed to this 26th day of March, 2010.

PEACEHEALTH



Alan Yordy
President and CMO

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is entered into effective November 23, 2009, between Southwest Washington Health System ("SWHS") and PeaceHealth.

A. The parties are engaged in discussions which may lead to the affiliation, consolidation or merger of their operations (the "Combination").

B. In connection with the parties' analysis and negotiation of such a possible Combination, each of the parties has requested or may request in the future certain nonpublic oral and written information concerning the other party, which information may be furnished by or to the officers, directors, employees or other agents or representatives of the parties.

C. The information requested or furnished (collectively, the "Information") is confidential and of great value to the parties.

As a condition to being furnished with the Information and in consideration of the promises contained in this Agreement, SWHS and PeaceHealth agree as follows:

1. All Information furnished will be used by the receiving party solely for the purposes of a possible Combination between the parties, will not be discussed with or otherwise disclosed to other persons or entities without the furnishing party's express written authorization, will not be used in any way directly or indirectly detrimental to the furnishing party, and will be kept confidential by the receiving party and its affiliates and advisors; provided, however, that the Information may be disclosed to the receiving party's directors, officers, employees, advisors or other agents or representatives who need to know such Information for the purpose of evaluating or preparing the possible Combination ("Representatives"), provided further that such persons will agree to be bound by this Agreement and will be directed by the receiving party not to disclose to any other person or entity any Information relating to the furnishing party. Each party agrees to be responsible for any breach of this Agreement by its affiliates or Representatives.

In the event that either of the parties or its affiliates, advisors or Representatives is requested or required to disclose or produce any Information furnished under this Agreement, the party so requested or required to disclose or produce any Information will (a) provide the other party prompt notice thereof and copies if possible, and, if not, a description of the Information requested or required to be disclosed or produced so that the furnishing party may seek an appropriate protective order or waive compliance with the provisions of this Agreement and (b) consult with the other party as to the advisability of the other party taking legally available steps to resist or narrow such request.

2. The term "Information" does not include any information that the receiving party can establish: (a) is or becomes generally available to and known by the public (other than as a result of an unpermitted disclosure); (b) is or becomes available to the receiving party on a non-confidential basis from a source other than the furnishing party; or (c) has already been or is

hereafter independently acquired or developed by the receiving party without violating any confidentiality agreement with or other obligation of secrecy to the furnishing party.

3. If the parties do not proceed with the Combination or if the furnishing party so requests at any time, the receiving party will return promptly to the furnishing party all originals and copies of the Information, except that each party's legal counsel may retain copies of the Information for its files.

4. Each of the parties understands and acknowledges that the other party is not and will not be making any representations or warranty, express or implied, as to the accuracy or completeness of any furnished Information, and neither the furnishing party nor any of its Representatives has or will have any liability to the receiving party or any other person or entity resulting from any reliance upon or use of any furnished Information. Only those representations or warranties made expressly in a definitive agreement, if it is executed, and subject to such limitations and restrictions as may be specified in such agreement, will have any legal effect. Notwithstanding the foregoing, each party agrees to provide only Information that it, in good faith, believes to be complete and accurate.

5. Each of the parties also understands and agrees that, unless and until a definitive agreement has been executed and delivered, no contract or agreement providing for a Combination will be deemed to exist, and neither party is or will be under any legal obligation of any kind whatsoever with respect to such Combination by virtue of this Agreement or any other written or oral expression, except, in the case of this Agreement, for the matters specifically agreed to herein.

6. Each of the parties agrees that the other party will be entitled to equitable relief, including an injunction and specific performance, in the event of any breach of the provisions of this Agreement, in addition to all other remedies available to the other party at law or in equity.

7. Each of the parties agrees that the other party reserves the right, in its sole and absolute discretion, to reject any or all proposals, to decline to furnish further Information and to terminate discussions and negotiations at any time. The exercise by either party of the rights referred to in this paragraph shall not affect the enforceability of any provision of this Agreement.

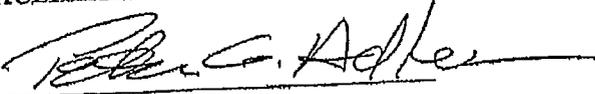
8. This Agreement is for the sole benefit of the parties, and may not be assigned by either party without the written consent of the other party. The obligations under this Agreement will not expire unless this Agreement is superseded by a definitive agreement between the parties that provides for the confidentiality of the Information, in which case the obligations under this Agreement will expire upon the effectiveness of such definitive agreement.

9. The parties intend that this Agreement be the final expression of their agreement with respect to the subject matter hereof and that they may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement may be executed in counterparts.

10. No modification of this Agreement will be valid or binding unless made in writing and signed by both parties.

The parties have caused this Agreement to be duly executed as of the date first above written.

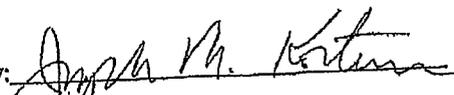
PEACEHEALTH

By: 

Print Name: PETER G. ADLER

Title: SA, VICE-PRESIDENT, STRATEGY, INNOVATION & DEVELOPMENT

**SOUTHWEST WASHINGTON
HEALTH SYSTEM**

By: 

Print Name: Joseph M. Kortum

Title: President/CEO



PEACEHEALTH

Consolidated Financial Statements

June 30, 2010 and 2009

(With Independent Auditors' Report Thereon)

PEACEHEALTH
Consolidated Financial Statements
June 30, 2010 and 2009

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KPMG LLP
Suite 900
801 Second Avenue
Seattle, WA 98104

Independent Auditors' Report

The Board of Directors
of PeaceHealth:

We have audited the accompanying consolidated balance sheets of PeaceHealth (the Corporation) (a Washington not-for-profit corporation) as of June 30, 2010 and 2009, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of PeaceHealth Corporation as of June 30, 2010 and 2009, and the results of its operations, changes in net assets, and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

KPMG LLP

October 27, 2010

PEACEHEALTH

Consolidated Balance Sheets

June 30, 2010 and 2009

Assets	2010	2009
Current assets:		
Cash and cash equivalents	\$ 66,967,863	145,668,797
Short-term investments (note 3)	232,841,204	92,507,539
Accounts receivable, net (note 6)	169,777,241	176,191,829
Assets under securities lending agreement (note 3)	16,327,453	9,481,238
Inventory of supplies	25,083,351	25,061,632
Prepaid expenses	9,760,470	11,108,673
Assets whose use is limited that are required for current liabilities	25,712,384	23,514,732
Total current assets	546,469,966	483,534,440
Assets whose use is limited by board designation and indenture agreements:		
Cash and investments (note 3)	279,749,794	257,646,557
Investments in joint ventures and other	35,470,294	35,103,849
Total assets whose use is limited	315,220,088	292,750,406
Less current portion	(25,712,384)	(23,514,732)
Net assets whose use is limited	289,507,704	269,235,674
Property, plant, and equipment:		
Land and improvements	74,156,343	73,968,285
Buildings and fixed equipment	1,162,086,561	1,134,668,966
Moveable equipment	368,238,346	411,363,179
Medical office buildings and other	73,501,421	72,269,793
Construction in progress	53,484,759	55,769,370
Total property, plant, and equipment	1,731,467,430	1,748,039,593
Less accumulated depreciation	(681,899,703)	(652,467,210)
Net property, plant and equipment	1,049,567,727	1,095,572,383
Deferred financing costs, net (note 7)	7,235,938	5,727,343
Interest in net assets of related foundations	23,457,379	20,729,841
Other assets	14,786,559	11,823,930
Total assets	\$ 1,931,025,273	1,886,623,611

PEACEHEALTH

Consolidated Balance Sheets

June 30, 2010 and 2009

Liabilities and Net Assets	2010	2009
Current liabilities:		
Accounts payable	\$ 46,753,474	54,523,886
Accrued payroll, payroll taxes, and employee benefits	92,662,826	87,835,132
Accrued interest payable	3,884,034	2,747,111
Other current liabilities	21,816,108	18,187,087
Reimbursement settlements payable	3,845,891	4,072,348
Payable under securities lending agreement (note 3)	20,353,228	13,750,000
Short-term borrowings	—	49,300,000
Current portion of long-term debt (note 7)	7,953,529	9,339,968
Total current liabilities	<u>197,269,090</u>	<u>239,755,532</u>
Other long-term liabilities	143,113,421	122,524,728
Long-term debt due after one year (note 7)	671,969,170	627,749,281
Commitments and contingent liabilities (note 13)		
Net assets:		
Unrestricted	894,626,180	875,072,475
Temporarily restricted (note 11)	20,610,460	18,463,959
Permanently restricted (note 11)	3,436,952	3,057,636
Total net assets	<u>918,673,592</u>	<u>896,594,070</u>
Total liabilities and net assets	<u>\$ 1,931,025,273</u>	<u>1,886,623,611</u>

See accompanying notes to consolidated financial statements.

PEACEHEALTH

Consolidated Statements of Operations

Years ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenues:		
Net patient service revenue (note 2)	\$ 1,393,201,549	1,313,858,617
Other operating revenue	47,517,160	58,216,410
Total revenues	<u>1,440,718,709</u>	<u>1,372,075,027</u>
Expenses:		
Salaries and wages	634,400,028	632,502,163
Payroll taxes and benefits	176,511,788	161,142,416
Professional fees	10,512,061	10,638,275
Supplies and other expenses	410,838,341	402,803,747
Provision for bad debts	75,855,030	57,405,643
Depreciation and amortization of other assets	103,013,180	93,405,846
Interest and amortization of deferred financing costs (note 6)	33,857,322	32,503,540
Change in valuation of interest rate swaps (note 9)	—	44,900,933
Total expenses	<u>1,444,987,750</u>	<u>1,435,302,563</u>
Deficiency of revenues over expenses from operations	<u>(4,269,041)</u>	<u>(63,227,536)</u>
Other income (loss):		
Investment income (loss), net (note 3)	35,163,733	(38,702,561)
Gain on investments recorded on the equity method	3,022,189	4,221,533
Change in valuation of interest rate swaps	(20,989,904)	—
Write-off of deferred financing costs (note 7)	(756,940)	(626,541)
Other	741,640	363,815
Total other income (loss), net	<u>17,180,718</u>	<u>(34,743,754)</u>
Excess (deficiency) of revenues over expenses	12,911,677	(97,971,290)
Net assets released from restrictions used for purchase of property and equipment	6,058,827	10,355,229
Other changes in unrestricted net assets	583,201	(1,298,427)
Increase (decrease) in unrestricted net assets	<u>\$ 19,553,705</u>	<u>(88,914,488)</u>

See accompanying notes to consolidated financial statements.

PEACEHEALTH

Consolidated Statements of Changes in Net Assets

Years ended June 30, 2010 and 2009

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Net assets at June 30, 2008	\$ 963,986,963	22,613,229	3,098,600	989,698,792
(Deficiency) of revenues over expenses	(97,971,290)	—	—	(97,971,290)
Restricted contributions (note 10)	—	21,053,731	—	21,053,731
Net assets released from restrictions used for the purchase of property and equipment	10,355,229	(10,355,229)	—	—
Net assets released from restrictions used for operations	—	(8,501,671)	—	(8,501,671)
Change in interest in net assets of related foundations	(1,300,695)	(6,313,280)	(40,964)	(7,654,939)
Other changes in net assets	2,268	(32,821)	—	(30,553)
Change in net assets	(88,914,488)	(4,149,270)	(40,964)	(93,104,722)
Net assets at June 30, 2009	875,072,475	18,463,959	3,057,636	896,594,070
Excess of revenues over expenses	12,911,677	—	—	12,911,677
Restricted contributions (note 10)	—	9,931,702	—	9,931,702
Net assets released from restrictions used for the purchase of property and equipment	6,058,827	(6,058,827)	—	—
Net assets released from restrictions used for operations	—	(3,985,463)	—	(3,985,463)
Change in interest in net assets of related foundations	—	2,348,222	379,316	2,727,538
Other changes in net assets	583,201	(89,133)	—	494,068
Change in net assets	19,553,705	2,146,501	379,316	22,079,522
Net assets at June 30, 2010	\$ 894,626,180	20,610,460	3,436,952	918,673,592

See accompanying notes to consolidated financial statements.

PEACEHEALTH

Consolidated Statements of Cash Flows

Years ended June 30, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Change in net assets	\$ 22,079,522	(93,104,722)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	103,557,366	94,411,808
Gain on sale of land held for sale and property, plant, and equipment	(763,640)	(584,631)
Provision for bad debts	75,855,030	57,405,643
Restricted contributions	(6,058,827)	(21,053,731)
Net change in unrealized gains/losses on investments	(22,984,109)	54,026,987
Valuation adjustments on swap arrangements	20,989,904	46,918,822
Write-off of deferred financing costs	756,940	626,541
Equity investment gain	(3,022,189)	(4,221,533)
Increase in interest in net assets of related foundations	(2,727,538)	7,570,840
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable, net	(69,440,442)	(81,798,621)
Other assets	1,450,720	(7,788,565)
Increase (decrease) in:		
Accounts payable (net of capital expenditures)	(7,770,412)	(20,381,326)
Accrued payroll, payroll taxes, and employee benefits	4,827,694	1,780,452
Other liabilities	972,498	(7,682,850)
Net cash provided by operating activities	117,722,517	26,125,114
Cash flows from investing activities:		
Purchase of property, plant, and equipment	(57,996,158)	(130,029,684)
Proceeds from sale of land held for sale and property, plant, and equipment	1,703,250	27,906,856
Purchase of investments	(178,978,300)	(80,917,752)
Sale of investments	39,282,520	187,980,883
Decrease in assets whose use is limited, other	2,655,744	4,420,636
Net cash (used in) provided by investing activities	(193,332,944)	9,360,939
Cash flows from financing activities:		
Proceeds from long-term borrowings	205,588,817	28,000,000
Principal payments on long-term debt	(153,970,841)	(8,339,185)
Proceeds from short-term borrowings	—	49,300,000
Payment of short-term debt	(49,300,000)	—
Proceeds from restricted contributions	6,058,827	21,053,731
Advance repurchase of long-term debt	(8,784,526)	(26,300,000)
Decrease in deferred financing costs	(2,682,784)	(579,687)
Net cash (used in) provided by financing activities	(3,090,507)	63,134,859
Net (decrease) increase in cash and cash equivalents	(78,700,934)	98,620,912
Cash and cash equivalents at beginning of year	145,668,797	47,047,885
Cash and cash equivalents at end of year	\$ 66,967,863	145,668,797

See accompanying notes to consolidated financial statements.

PEACEHEALTH

Notes to Consolidated Financial Statements

June 30, 2010 and 2009

(1) Organization

PeaceHealth (the Corporation) is a Washington not-for-profit corporation with its corporate office located in Bellevue, Washington, which is sponsored by the Sisters of St. Joseph of Peace, and is recognized to be a Private Pontifical Juridic Person by the Roman Catholic Church. At June 30, 2010, the following regional healthcare delivery systems and operating divisions were components of the Corporation:

PeaceHealth Oregon Region, Eugene, Oregon:

- Sacred Heart Medical Center at University District
- Sacred Heart Medical Center at RiverBend
- Cottage Grove Hospital
- PeaceHealth Medical Group
- South Lane Medical Group

PeaceHealth Siuslaw Region, Florence, Oregon:

- Peace Harbor Hospital
- Health Associates of Peace Harbor

PeaceHealth Lower Columbia Region, Longview, Washington:

- St. John Medical Center
- PeaceHealth Medical Group

PeaceHealth Whatcom Region, Bellingham, Washington:

- St. Joseph Medical Center
- PeaceHealth Medical Group

PeaceHealth Alaska Region, Ketchikan, Alaska:

- Ketchikan General Hospital and Medical Clinics
- Island View Manor Nursing Home

PeaceHealth Laboratories

PeaceHealth Self-insured Trusts

These healthcare delivery systems and operating divisions, along with the Corporation's home office, form the obligated group and are not separate legal entities. The assets of any one are available for the satisfaction of debts of the entire Corporation (subject to the limitations of certain contractual commitments).

Health Ventures is a not-for-profit corporation that has entered into joint ventures to provide radiology, oncology, and surgery services. The Corporation is the sole member of Health Ventures. Health Ventures is included in the consolidated financial statements but is not part of the obligated group.

The Corporation is a minority investor in both Premier Purchasing Partners (Premier) and American Excess Insurance Exchange (AEIX). The Corporation has invested in Premier with other healthcare providers for the purpose of lowering costs through group purchasing.

PEACEHEALTH

Notes to Consolidated Financial Statements

June 30, 2010 and 2009

The Corporation accounts for its interest in Premier on the cost method. AEIX is owned by a group of healthcare providers and provides them with excess professional liability insurance coverage. The Corporation accounts for its interest in AEIX on the equity investment method of accounting less mandatory withdrawal penalties and an estimated discount to present value.

As of June 30, 2010 and 2009 the carrying value of Premier and AEIX was approximately \$17,091,000 and \$13,143,000, respectively, and is recorded in investments in joint ventures and other on the consolidated balance sheets.

The Corporation also has a Real Estate Pooled Income Fund pursuant to Internal Revenue Service Code Section 642(c)(5). A pooled income fund is a trust to which donors transfer property, contributing an irrevocable remainder interest in such property to or for the use of a qualified charitable organization and retaining an income interest for the life of one or more beneficiaries. The Real Estate Pooled Income Fund uses the proceeds of all contributions to purchase buildings from the Corporation's obligated group, which are leased back to the Corporation's obligated group under a long-term master lease agreement. The assets and liabilities of the Real Estate Pooled Income Fund are included in the consolidated financial statements but are not part of the obligated group.

(2) Summary of Significant Accounting Policies

(a) Consolidation

The consolidated financial statements include the accounts of the Corporation and its controlled affiliates. All significant intercompany transactions and balances have been eliminated. The Corporation has performed an evaluation of subsequent events through October 27 2010, which is the date these consolidated financial statements were issued.

(b) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates in the Corporation's consolidated financial statements include accounts receivable allowances, third-party payor settlement liabilities, investments, interest rate swaps and liabilities related to self-insurance programs.

(c) Cash and Cash Equivalents

Cash and cash equivalents consist of petty cash; cash in demand bank accounts and all highly liquid debt instruments purchased with an original maturity of three months or less other than those whose use is limited. The Corporation held cash equivalents of approximately \$55,968,000 and \$137,208,000 as of June 30, 2010 and 2009, respectively.

PEACEHEALTH

Notes to Consolidated Financial Statements

June 30, 2010 and 2009

(d) Short-Term Investments

Short-term investments consist primarily of U.S. government and other investment grade securities and are carried at fair value. Investment income or loss (including realized gains and losses and interest and dividends) is included in the excess of revenues over expenses. The unrealized gains and losses are included in investment income.

(e) Inventory of Supplies

Inventory is valued on a last-in, first-out basis or a weighted average cost.

(f) Assets Whose Use is Limited

These items primarily consist of trustee held funds, investments in marketable equity and fixed income securities, mutual funds and investments in joint ventures. Money market funds and all marketable securities have readily determinable market values and are therefore carried at fair value. The investments in joint ventures and other are accounted for using the equity or cost method.

(g) Property, Plant, and Equipment

Property, plant, and equipment are stated at cost. Improvements and replacements of plant and equipment are capitalized. Maintenance and repairs are expensed as they are incurred. When property, plant, and equipment is sold or retired, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded.

(h) Medical Office Buildings and Other

These properties consist of medical offices and other rental buildings. These assets, other than land, are depreciated using the straight-line method over periods of 3 to 40 years.

(i) Depreciation

Depreciation on property, plant, and equipment is computed using the straight-line method over the following estimated useful lives:

Land improvements	5 – 20 years
Buildings and improvements	5 – 50 years
Fixed equipment	10 – 25 years
Leasehold improvements	Shorter of remaining length of the lease or useful life
Moveable equipment	3 – 15 years

(j) Deferred Financing Costs

These costs are amortized over the lives of the related debt issues using the effective-interest method.

PEACEHEALTH

Notes to Consolidated Financial Statements

June 30, 2010 and 2009

(k) Other Assets

Other assets consist primarily of the estimated fair value associated with the plan assets of the Corporation's 457(b) post-retirement savings plan, in the amount of approximately \$9,275,000 and \$7,531,000 at June 30, 2010 and 2009, respectively, with a corresponding amount included in other long-term liabilities.

(l) Other Long-Term Liabilities

The caption other long-term liabilities on the balance sheet consists primarily of the estimated fair value associated with the Corporation's interest rate swaps of approximately \$80,315,000 and \$59,710,000 at June 30, 2010 and 2009, respectively; and the long-term portion of the liability for the self-insurance programs of approximately \$30,701,000 and \$39,499,000 at June 30, 2010 and 2009, respectively. In addition to these amounts, the remaining portion of the liability is made up of the Corporation's long-term portion of their post retirement benefits, asset retirement obligations and other amounts.

(m) Donations and Grants

Unrestricted donations and grants are recorded as other operating revenues. Donor-restricted donations and grants are recorded as additions to the appropriate class of net assets. When capital expenditures are made consistent with the purpose intended by the donor, a transfer is made from temporarily restricted net assets to unrestricted net assets. If restricted amounts are expended for operations, the amounts are recorded as other operating revenues in the accompanying consolidated statements of operations.

(n) Interest in Net Assets of Related Foundations

The Corporation accounts for activities with its related foundations in accordance with applicable accounting guidance. That guidance requires the Corporation to recognize its interests in the net assets of its related foundations on the balance sheet and the annual changes through net assets.

(o) Net Patient Service Revenues

The Corporation has agreements with third-party payors that provide for payments of amounts different from established charges. The Corporation's net patient service revenue came from the following sources:

	2010	2009
Medicare	34%	39%
Medicaid	9	9
Commercial and other	51	47
Private pay	6	5
	100%	100%

PEACEHEALTH

Notes to Consolidated Financial Statements

June 30, 2010 and 2009

The above table also approximates the significant concentration of credit risk in accounts receivable balances at June 30, 2010 and 2009. Management does not believe there are any other significant concentrations of credit risk outstanding at June 30, 2010 or 2009.

The Corporation has estimated payments for services rendered to Medicare and Medicaid patients during the year by applying the payment principles of the applicable governmental agencies and believes that an adequate provision has been made in the accompanying consolidated financial statements for final settlement. Estimates of final settlements to Medicare, Medicaid, and other third-party payors have been reflected as a reimbursement settlement payable in the accompanying consolidated balance sheets. Differences between the net amounts accrued and subsequent settlements are recorded in operations at the time of settlement.

Reimbursement for inpatient services rendered to Medicare recipients has been made principally under a prospective pricing system based on diagnosis-related groups. Most outpatient services provided to Medicare patients are reimbursed based on prospectively determined rates. Services to Medicaid patients are reimbursed based on a combination of prospectively determined rates and cost reimbursement methodology. Continuation of these reimbursement programs at the present level, and on the present basis, is dependent upon future policies of federal and state governmental agencies. The Corporation has three critical access hospitals that are exempt from both inpatient and outpatient prospective payment systems. Inpatient and outpatient services rendered to Medicare and Medicaid program beneficiaries at critical access hospitals are reimbursed based on costs. Interim reimbursement to critical access hospitals is based upon tentative rates and retroactive adjustment is made to actual cost during final settlement by either the Medicare fiscal intermediary or the applicable state's Medicaid agency. The medical groups in the Corporation are generally reimbursed on a fee schedule for Medicare and commercial and on a cost basis for Medicaid patients.

The Corporation has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Corporation under these agreements includes prospectively determined rates per unit of service and discounts from established charges. Most arrangements provide for payment or reimbursement to the Corporation at amounts different than established rates. Contractual discounts represent the difference between established rates for services and amounts paid or reimbursed by these third-party payors.

(p) Other Operating Revenue

Other operating revenue includes revenue from nonpatient care services, clinical space rental revenues, and donations to support operating activities.

(q) Federal and State Income Taxes

The Corporation has received a determination letter from the Internal Revenue Service stating that it is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code except for tax on unrelated business income. It is management's belief that none of its activities have produced material unrelated business income.

PEACEHEALTH

Notes to Consolidated Financial Statements

June 30, 2010 and 2009

The Corporation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that exceeds a 50% probability of being realized. Changes in recognition or measurement are reflected in the period in which the change in estimate occurs.

(r) ***Recently Adopted Accounting Standards***

In June 2009, the Financial Accounting Standards Board (FASB) established the FASB Accounting Standard Codification (ASC) to become the source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. The ASC did not change GAAP, except in limited circumstances, and the content of ASC will carry the same level of GAAP authority when effective. The GAAP hierarchy was modified to include only two levels of GAAP: authoritative and nonauthoritative. The Corporation adopted the ASC in September 2009, and as a result, references to legacy GAAP accounting pronouncements in the Corporation's consolidated financial statement disclosures have been modified to reflect ASC citations.

In May 2009, the FASB issued ASC Topic 855 (Topic 855), *Subsequent Events*. Topic 855 modifies the definition of what qualifies as a subsequent event – those events or transactions that occur following the balance sheet date, but before the consolidated financial statements are issued, or are available to be issued – and requires entities to disclose the date through which it has evaluated subsequent events and the basis for determining that date. The Corporation adopted Topic 855 as of June 30, 2009.

In September 2006, the FASB issued ASC Topic 820 (Topic 820), *Fair Value Measurements and Disclosures*. Topic 820 defines fair value, establishes a framework for the measurement of fair value, and enhances disclosures about fair value measurements. Topic 820 does not require any new fair value measures. Effective July 1, 2008, the Corporation adopted the provisions of Topic 820 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. The adoption of Topic 820 did not have a significant impact to the Corporation's consolidated financial statements. Refer to note 14 for more information regarding the Corporation's fair value disclosures under Topic 820.

In October 2008, the FASB issued ASC Topic 820-10-35 (Topic 820-10-35), which was effective immediately. Topic 820-10-35 clarifies the application of Topic 820 in cases where the market for a financial instrument is not active and provides an example to illustrate key considerations in determining fair value in those circumstances. The Corporation has considered the guidance provided by Topic 820-10-35 in its determination of estimated fair values during 2010, which did not have a significant impact on the Corporation's fair value measurements.

In April 2009, the FASB issued ASC Topic 820-10-65 (Topic 820-10-65), *Determining Fair Value When the Volume and Level of Activity for the Asset or When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions that are not Orderly*, which became effective for periods ending after June 15, 2009. Topic 820-10-65 provides additional guidance for estimating fair value in accordance with Topic 820, when the volume and level of activity for the asset or liability have significantly decreased; includes guidance on

PEACEHEALTH

Notes to Consolidated Financial Statements

June 30, 2010 and 2009

identifying circumstances that indicate a transaction is not orderly; and provides additional clarification on disclosures related to fair value. The Corporation has considered the guidance provided by Topic 820-10-65 in its determination of estimated fair values during 2009, which did not have a significant impact on the Corporations fair value measurements.

In February 2007, the FASB issued ASC Subtopic 825-10 (Subtopic 825-10), *Financial Instruments – Overall*. Subtopic 825-10 permits an organization to measure certain financial instruments at fair value that are not currently required to be measured at fair value. Subtopic 825-10 permits organizations to choose, at specified election dates, to measure certain items at fair value and report unrealized gains and losses on such items in earnings. Effective July 1, 2009, the Corporation adopted Subtopic 825-10 and elected not to change the measurement of any existing financial instruments that were not previously recorded at fair value. Accordingly, the adoption of Subtopic 825-10 did not have any effect on the Corporation's consolidated financial statements.

In conjunction with the adoption of Topic 820, the Corporation has adopted the measurement provisions of Accounting Standards Update No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, to certain investments in funds that do not have readily determinable fair values including private investments, hedge funds, real estate, and other funds. This guidance amends Topic 820 and allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent. Net asset value, in many instances, may not equal fair value that would be calculated pursuant to Topic 820.

In 2009, the FASB issued ASC Subtopic 954-805 (Subtopic 954-805), formerly Statement of Financial Accounting Standards 164, *Not-for-Profit Entities: Mergers and Acquisitions – Including an amendment of FASB Statement No. 142*, which establishes principles and requirements for determining whether a combination is a merger or an acquisition; applies the carryover method in accounting for a merger; applies the acquisition method in accounting for an acquisition, including determining which of the combining entities is the acquirer; and determines what information to disclose to enable users of financial statements to evaluate the nature and financial effects of a merger or an acquisition. Additionally, Subtopic 954-805 sets forth guidance on subsequent accounting for goodwill and other intangible assets acquired in an acquisition and amendments related to noncontrolling interests in consolidated financial statements. The effective date and date of adoption, of Subtopic 954-805 for the Corporation was July 1, 2010.

In March 2008, the FASB issued ASC Subtopic 815-10 (Subtopic 815-10) formerly SFAS 161, *Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133*. Subtopic 815-10, requires entities that utilize derivative instruments to provide qualitative disclosures about their objectives and strategies for using such instruments, as well as any details of credit-risk-related contingent features contained within derivatives. Subtopic 161 also requires entities to disclose additional information about the amounts and location of derivatives located within the financial statements, how the provisions of hedge accounting have been applied, and the impact that hedges have on an entity's financial position, financial performance, and cash flows. The Corporation adopted the guidance of Subtopic 815-10 for its 2010 financial statements, see footnote 8 for the disclosures.

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Notes to Consolidated Financial Statements

June 30, 2010 and 2009

(s) Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation to more consistently present financial information between years.

(3) Investments

The composition of cash and investments at June 30, 2010 and 2009 is set forth in the following table. Investments are carried at fair value.

	2010	2009
Operating cash:		
Cash and money market	\$ 60,269,231	129,573,424
Fixed income:		
Government obligations	125,504,671	34,114,546
Municipal obligations	210,200	214,110
Foreign governments	7,711,225	—
Corporate obligations	39,327,072	18,804,134
Mortgage backed securities	45,625,862	36,112,383
Collateralized debt obligations	1,956,362	2,848,933
Other fixed income	6,550,686	3,575,019
Mutual funds:		
Domestic debt securities	10,298,578	10,049,551
International debt securities	1,930,929	1,805,680
Other short-term investments	424,251	1,078,556
	299,809,067	238,176,336
Designated for capital acquisition:		
Cash and money market	9,057,650	6,033,277
Fixed income:		
Government obligations	23,301,398	20,525,082
Municipal obligations	391,299	—
Foreign governments	1,849,413	—
Corporate obligations	40,579,733	31,535,068
Mortgage backed securities	34,786,220	38,264,170
Collateralized debt obligations	1,966,193	1,050,431
Other fixed income	—	2,759,500
Mutual funds:		
Domestic equities	52,779,694	45,271,019
International equities	23,701,988	21,512,793
Real estate	5,670,375	4,082,402
Commodities	9,640,586	8,423,896
Alternative investments	18,159,816	19,910,352
	221,884,365	199,367,990

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Notes to Consolidated Financial Statements

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	2010	2009
Trustee held funds:		
Cash and money market	\$ 18,622,502	21,985,895
Fixed income:		
Government obligations	226,410	—
Mortgage backed securities	7,179,946	8,107,436
Mutual funds:		
Domestic equities	15,520,296	13,413,262
International equities	6,670,418	6,066,457
Domestic debt securities	8,267,640	7,569,299
International debt securities	445,287	384,059
Real estate	645,787	466,139
	57,578,286	57,992,547
Other investments:		
Cash and short-term investments	287,143	286,020
Total	\$ 579,558,861	495,822,893

The Corporation holds alternative investments through two limited partnerships which are not publicly traded, though the underlying assets in the limited partnership do have fair market values, and the limited partnership shares are liquid investments.

Investment income is comprised of the following for the years ended June 30, 2010 and 2009.

	2010	2009
Interest income	\$ 14,277,597	16,815,318
Net realized gains (losses) on sales of investments	(2,097,973)	(1,471,848)
Change in net unrealized gains/losses on investments	22,984,109	(54,046,031)
Investment income, net	\$ 35,163,733	(38,702,561)

Securities Lending Agreement

The Corporation has entered into a securities lending agreement whereby a portion of investments are loaned to various financial institutions in return for cash or other securities as collateral for the securities loaned. Pursuant to the agreement, the collateral received is required to be at least 102% of the fair value of the securities loaned, which is determined at the end of each business day. The securities on loan are comprised entirely of fixed income securities. Net investment gains and losses are included in investment income (loss) in the accompanying consolidated statements of operations.

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(4) Fair Value of Financial Instruments

Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents assets and liabilities that are measured at fair value on a recurring bases (including items that are required to be measured at fair value and items for which the fair value option as been elected) at June 30 2010:

	June 30, 2010	Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Operating cash:				
Cash and money market	\$ 60,269,231	9,507,461	50,761,770	—
Fixed income:				
Government obligations	125,504,671	37,887,845	87,616,826	—
Municipal obligations	210,200	—	210,200	—
Foreign governments	7,711,225	7,185,626	525,599	—
Corporate obligations	39,327,072	8,492,103	30,834,969	—
Mortgage backed securities	45,625,862	7,838,865	37,786,997	—
Collateralized debt obligations	1,956,362	—	1,956,362	—
Other fixed income	6,550,686	1,959,716	4,590,970	—
Mutual funds:				
Domestic debt securities	10,298,578	10,298,578	—	—
International debt securities	1,930,929	1,930,929	—	—
Total	299,384,816	85,101,123	214,283,693	—

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	June 30, 2010	Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Designated for capital acquisition:				
Cash and money market	\$ 9,057,650	3,839,378	5,218,272	—
Fixed income:				
Government obligations	23,301,398	—	23,301,398	—
Municipal obligations	391,299	—	391,299	—
Foreign governments	1,849,413	—	1,849,413	—
Corporate obligations	40,579,733	—	40,579,733	—
Mortgage backed securities	34,786,220	—	34,786,220	—
Collateralized debt obligations	1,966,193	—	1,966,193	—
Mutual funds:				
Domestic equities	52,779,694	52,779,694	—	—
International equities	23,701,988	23,701,988	—	—
Real estate	5,670,375	5,670,375	—	—
Commodities	9,640,586	—	9,640,586	—
Alternative investments	18,159,816	—	18,159,816	—
Total	<u>221,884,365</u>	<u>85,991,435</u>	<u>135,892,930</u>	<u>—</u>
Trustee held funds:				
Cash and money market	18,622,502	117,664	18,504,838	—
Fixed income:				
Government obligations	226,410	—	226,410	—
Mortgage backed securities	7,179,946	—	7,179,946	—
Mutual funds:				
Domestic equities	15,520,296	15,520,296	—	—
International equities	6,670,418	6,670,418	—	—
Domestic debt securities	8,267,640	8,267,640	—	—
International debt securities	445,287	445,287	—	—
Real estate	645,787	645,787	—	—
Total	<u>57,578,286</u>	<u>31,667,092</u>	<u>25,911,194</u>	<u>—</u>
Assets under securities lending agreement	16,327,453	—	15,352,453	975,000
Total assets	<u>\$ 595,174,920</u>	<u>202,759,650</u>	<u>391,440,270</u>	<u>975,000</u>
Liabilities:				
Liabilities under securities lending	\$ 20,353,228	—	15,353,228	5,000,000
Interest rate swaps	80,315,336	—	80,315,336	—
Total liabilities	<u>\$ 100,668,564</u>	<u>—</u>	<u>95,668,564</u>	<u>5,000,000</u>

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Notes to Consolidated Financial Statements

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The Corporation holds approximately \$424,000 and \$287,000 in short term investments and cash and investments whose use is limited by board designation, that are not stated at fair value at June 30, 2010.

The following table presents assets and liabilities that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) at June 30, 2009.

	June 30, 2009	Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Operating cash:				
Cash and money market	\$ 129,573,424	11,888,156	117,685,268	—
Fixed income:				
Government obligations	34,114,546	—	34,114,546	—
Municipal obligations	214,110	—	214,110	—
Corporate obligations	18,804,134	—	18,804,134	—
Mortgage backed securities	36,112,383	—	36,112,383	—
Collateralized debt obligations	2,848,933	—	2,848,933	—
Other fixed income	3,575,019	—	3,575,019	—
Mutual funds:				
Domestic debt securities	10,049,551	10,049,551	—	—
International debt securities	1,805,680	—	1,805,680	—
Total	237,097,780	21,937,707	215,160,073	—
Designated for capital acquisition:				
Cash and money market	6,033,277	5,583,637	449,640	—
Fixed income:				
Government obligations	20,525,082	—	20,525,082	—
Corporate obligations	31,535,068	—	31,535,068	—
Mortgage backed securities	38,264,170	—	38,264,170	—
Collateralized debt obligations	1,050,431	—	1,050,431	—
Other fixed income	2,759,500	—	2,759,500	—
Mutual funds:				
Domestic equities	45,271,019	45,271,019	—	—
International equities	21,512,793	21,512,793	—	—
Real estate	4,082,402	4,082,402	—	—
Commodities	8,423,896	—	8,423,896	—
Alternative investments	19,910,352	—	19,910,352	—
Total	199,367,990	76,449,851	122,918,139	—

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June 30, 2010 and 2009

	June 30, 2009	Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Trustee held funds:				
Cash and money market	\$ 21,985,895	306,713	21,679,182	—
Fixed income:				
Mortgage backed securities	8,107,436	—	8,107,436	—
Mutual funds:				
Domestic equities	13,413,262	13,413,262	—	—
International equities	6,066,457	6,066,457	—	—
Domestic debt securities	7,569,299	7,569,299	—	—
International debt securities	384,059	384,059	—	—
Real estate	466,139	466,139	—	—
Total	<u>57,992,547</u>	<u>28,205,929</u>	<u>29,786,618</u>	<u>—</u>
Assets under securities lending agreement	9,481,238	—	8,743,738	737,500
Total assets	<u>\$ 503,939,555</u>	<u>126,593,487</u>	<u>376,608,568</u>	<u>737,500</u>
Liabilities:				
Liabilities under securities lending	\$ 13,750,000	—	8,750,000	5,000,000
Interest rate swaps	59,710,141	—	59,710,141	—
Total liabilities	<u>\$ 73,460,141</u>	<u>—</u>	<u>68,460,141</u>	<u>5,000,000</u>

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The following table presents the Corporation's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in Topic 820 for the years ended June 30, 2010 and 2009:

	Assets held under securities lending	Liabilities under securities lending
Balance at June 30, 2008	\$ —	—
Total realized and unrealized (losses) gains, net:		
Included in income	(4,262,500)	—
Transfer in and/or out of Level 3 (net)	5,000,000	5,000,000
Balance at June 30, 2009	737,500	5,000,000
Total realized and unrealized (losses) gains, net:		
Included in income	237,500	—
Balance at June 30, 2010	\$ 975,000	5,000,000

The fair value of cash and cash equivalents, short-term investments, and cash and investments whose use is limited by board designation, which are the amounts reported in the consolidated balance sheets, are estimated based on quoted market prices. For long-term debt, the fair value is estimated based on quoted market prices, when available, or on the discounted value of the future cash flows using current rates for debt with the same remaining maturities, considering the existing call premium and protection. The carrying value and fair value of tax-exempt bonds, was approximately \$673,986,000 and \$677,746,000, respectively, as of June 30, 2010, and approximately \$629,698,000 and \$628,423,000, respectively, as of June 30, 2009.

Other financial instruments of the Corporation include cash and cash equivalents and other receivables. The carrying amount of these instruments approximates fair value because these items mature in less than one year. The carrying amount of other long-term investments approximates fair value.

(5) Charity Care

The Corporation maintains records to identify and monitor the level of charity care it provides. Charges forgone for services and supplies furnished under the charity care policy for the years ended June 30, 2010 and 2009 were approximately \$102,415,000 and \$91,461,000, respectively.

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(6) Accounts Receivable

Accounts receivable at June 30 consisted of the following:

	2010	2009
Patient accounts receivable	\$ 346,169,606	327,207,820
Less:		
Allowance for doubtful accounts	(59,448,197)	(47,645,707)
Allowance for estimated contractual discounts	(127,954,830)	(114,088,806)
Net patient accounts receivable	158,766,579	165,473,307
Other accounts receivable	11,010,662	10,718,522
Accounts receivable, net	\$ 169,777,241	176,191,829

(7) Short-Term and Long-Term Debt

Long-Term Debt

Long-term debt at June 30 consisted of the following:

	2010	2009
Series 1995 Oregon Bonds, variable interest rate, (0.15% at June 30, 2010) payable each December 1, due in annual installments through 2015, maturing December 1, 2015.	\$ 6,780,000	7,705,000
Series 2001 Oregon Bonds, 5.00% to 5.25%, interest payable each May 15 and November 15, due in annual installments from 2016 to 2032, maturing November 15, 2032.	70,000,000	70,000,000
Series 2004 Oregon Bonds, Series A, 3.00% to 5.00%, interest payable each February 1 and August 1, due in annual installments from 2010 to 2014.	15,000,000	15,000,000
Series 2008 Washington Bonds, Series A, fixed interest rate of 5% payable on each May 1 and November 1, due on November 1, 2018.	80,650,000	80,650,000
Series 2008 Washington Bonds, Series B-D, variable interest rate, principal payable each October in annual installments through 2028. Called during FY 2010.	—	86,715,000

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	<u>2010</u>	<u>2009</u>
Series 2008 Oregon Bonds, Series A-D, variable interest rate, (0.23% to 0.26% at June 30, 2010), principal payable each August in annual installments from 2030 to 2034 for Series A and B; principal payable each May in annual installments from 2036 to 2047 for Series C and D. Called \$42,690,000 of Series A and B during FY 2010.	\$ 295,975,000	341,745,000
2009 Direct Note Obligation to US Bank, variable interest rate and annual principal payments of \$1,400,000 maturing on March 20, 2012. Paid off during FY 2010.	—	27,883,333
Series 2009 Oregon Bonds, Series A, fixed interest rates of 3.25% to 5.00% payable on each May 1 and November 1, due in installments from 2013 to 2039.	100,795,000	—
Series 2009 Washington Bonds, Series A, fixed interest rates of 3.0% to 5.0% payable on each May 1 and November 1, due in installments from 2010 to 2028.	<u>94,835,000</u>	<u>—</u>
Total long-term debt at par value	664,035,000	629,698,333
Premium on long-term debt	9,951,248	—
Other long-term debt	<u>5,936,451</u>	<u>7,390,916</u>
Total long-term debt	679,922,699	637,089,249
Less amounts due within one year	<u>(7,953,529)</u>	<u>(9,339,968)</u>
Total long-term debt due after one year	\$ <u>671,969,170</u>	<u>627,749,281</u>

The Series 1995 Oregon and the 2008 Oregon Series A-D bonds have variable interest rates that may bear interest at a daily, weekly, 28 day, monthly, semi-annual or annual rates. The rate determination mode may be changed upon request of the Corporation. The bonds are subject to optional redemption by PeaceHealth, in whole or in part at 100% of the principal amount plus accrued interest. The bonds are backed by letters of credit in the amount of approximately \$299,530,000 for the 2008 Oregon bonds and \$6,891,000 for the 1995 Oregon bonds. The letter of credit for Series A-B of the 2008 Oregon bonds will expire in June 2013 and the letter of credit for Series C-D of the 2008 Oregon bonds will expire in June 2012. The letter of credit for the 1995 Oregon bonds will expire in January 2017. The letters of credit are extendable annually at the option of the bank upon request from the Corporation for an additional year.

The Master Trust Indenture, the loan agreements and other contractual documents under which the Corporation's bonds were issued include covenants, which among others, obligate the Corporation to: maintain net patient service revenues at levels sufficient to achieve specified debt service coverage ratios; meet certain financial tests before additional debt can be incurred; and to meet certain financial tests before there can be any significant disposition of property.

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During fiscal year 2010, management called \$42,690,000 of Series A and B of the 2008 Oregon bonds and \$84,225,000 of Series B-D of the 2008 Washington Bonds. During fiscal year 2009, management called the remaining amount of the 1993 Washington Bonds and the 1998 Oregon Bonds with proceeds from a \$28,000,000 term loan entered into during 2009. The term loan was paid off during 2010. In connection with the advance payment on these debt amounts, the Corporation recorded losses on refinancing of debt of approximately \$756,000 and \$626,000 in 2010 and 2009, respectively, which were recorded in other income (loss) in the accompanying consolidated statements of operations.

Scheduled principal payments of long-term debt, excluding the premium on bonds, as due according to their long-term amortization schedule and other debt according to its maturity schedule for the next five years and thereafter are as follows:

	Long-term debt	Other	Total
Year ending June 30:			
2011	\$ 6,945,000	1,008,529	7,953,529
2012	8,070,000	1,042,135	9,112,135
2013	8,390,000	747,010	9,137,010
2014	12,690,000	497,705	13,187,705
2015	13,355,000	545,158	13,900,158
Thereafter	614,585,000	2,095,914	616,680,914
Total	\$ 664,035,000	5,936,451	669,971,451

The 1995 Oregon and 2008 Oregon variable rate demand bonds, which have long-term amortization periods, may be put back to the letter of credit bank on any interest rate reset date when the bonds are due to be remarketed. In the event of a failed remarketing the letter of credit bank is obligated under the terms of the letter of credit agreement to buy the bonds. If the bonds continue to fail to be remarketed, and become a term loan from the letter of credit bank to the Corporation, the payments commence not less than 367 days after the purchase of the bonds by the letter of credit bank, and are payable in equal quarterly installments thereafter.

Cash paid for interest totaled approximately \$32,385,000 and \$32,449,000 for the years ended June 30, 2010 and 2009, respectively. Interest totaling approximately \$232,000 and \$3,258,000 was capitalized in connection with construction projects during the years ended June 30, 2010 and 2009, respectively.

(8) Short-Term Borrowings

During fiscal year 2009, management entered into master repurchase agreements with two banks. At June 30, 2009, the Corporation recorded a \$49,300,000 liability related to reverse repurchase obligations, ranging in cost from 0.25% to 0.60% annually, and maturing on dates between July 7, 2009 and August 31, 2009. These repurchase agreements were terminated and paid off in October 2009 with proceeds from the issuance of the 2009 Bonds.

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(9) Accounting for Derivative Instruments and Hedging Activities

In accordance with the policy adopted by the Board of Directors, the Corporation may use interest rate swap contracts to manage its net exposure to interest rate changes in attempting to reduce its overall cost of borrowing over time. Interest rate swap contracts generally involve the exchange of fixed and floating interest rate payments without the exchange of underlying principal (the swap of fixed or floating rates are on a "notional" amount). The Corporation accounts for its interest rate hedging transactions in accordance with ASC 815 – *Derivatives and Hedging*. That standard requires that every derivative instrument be recorded on the balance sheet as either an asset or a liability measured at its estimated fair value. During 2010, management changed its policy and is no longer designating the interest rate swap contracts they enter into as cash flow hedges. As such all changes in the valuation of the interest rate swaps are recognized in the statement of operations.

The Corporation had the following interest rate swap contracts outstanding as of June 30, 2010 with a total notional amount of approximately \$461,000,000: a \$40,000,000 basis swap where PeaceHealth receives 81.9% of 30 day LIBOR and pays a 30 day tax-exempt index rate, approximately \$295,000,000 (fixed payer swaps) which convert a portion of the 2008 Oregon bonds to a fixed rate. These interest rate swaps are matched to the debt noted and have similar expiration dates. As a result of the advance refunding of a portion of the 2008 Oregon bonds and all of the 2008 Washington bonds Series B-D in fiscal 2010, there are three interest rate swap contracts for approximately \$125,900,000 that are not currently attached to any bonds. These three unattached swaps had cancellation options sold to the counterparty in fiscal 2010 that expire in 2012, which effectively gives control of termination to the option holder.

The following table presents the effect of interest rate swap contracts on the consolidated balance sheets:

	Balance sheet location	June 30	
		2010	2009
Interest rate swaps designated as cash flow hedges	Other long-term liabilities	\$ —	58,631,839
Interest rate swaps not designated as hedges	Other long-term liabilities	80,315,336	1,078,302
		<u>\$ 80,315,336</u>	<u>59,710,141</u>

The following table presents the information on the effect of interest rate swap agreements not separately disclosed on the statements of operations:

	Statement of operations location	June 30	
		2010	2009
Interest rate swaps not designated as hedges	Interest expense	\$ 150,004	2,018,000

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Derivative instruments are recorded at fair value taking into consideration the Corporation's nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. The impact of taking into account the nonperformance risk on the fair value of the interest rate swaps was a benefit of approximately \$11,300,000 and \$10,300,000, for fiscal year 2010 and 2009 respectively. Recording the interest rate swaps at fair value results in a total liability of \$80,300,000 reflected in the consolidated balance sheet rather than the \$91,600,000 that would be paid if all of the swaps were terminated as of June 30, 2010. The inputs used to determine the impact of the counterparty nonperformance risk are level 2 inputs; as such derivative liabilities have been recorded as level 2 in the Corporation's disclosure of fair value instruments, see footnote 14.

The Corporation currently has four swap counterparties which minimize counterparty risk and collateral posting requirements. These swap agreements contain various credit thresholds that if breached by the Corporation would constitute an additional termination event whereby the swap counterparties could terminate the swap by either making a payment to, or receiving a payment from PeaceHealth, depending upon the termination value of the swaps as of the date of termination. PeaceHealth retains the right to terminate the swaps at any point, which would also require either making or receiving a payment depending on the termination value of the swap as of the termination date.

(10) Medicare and Medicaid Revenue

Net revenue for services provided to Medicare patients for the years ended June 30, 2010 and 2009 was approximately \$490,239,000 and \$516,288,000, respectively. Medicaid net patient service revenue for the years ended June 30, 2010 and 2009 was approximately \$137,484,000 and \$123,602,000, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation.

As a result, retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined or new information is obtained. Adjustments from finalization and adjustment of prior years cost reports and other third-party settlements resulted in an increase in net patient service revenues of approximately \$6,175,000 for the year ended June 30, 2009, respectively. The net amount related to 2010 was not significant.

The Medicare cost reports are subject to retroactive adjustment for three years after settlement, unless held open longer for disputed items. The cost reports receive either full- or limited-scope audits by the fiscal intermediary appointed by Medicare. Settlements for open years will be finalized after review by the appropriate government agencies.

(11) Restricted Net Assets

Restricted net assets are those whose use by the Corporation has been limited by donor-imposed restrictions to a specific time period and/or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

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Temporarily and permanently restricted net assets are available for the following purposes at June 30:

	<u>2010</u>	<u>2009</u>
Purchase of property, plant, and equipment	\$ 19,755,721	17,649,018
Indigent care	460,736	301,756
Patient care operating activities	3,028,642	2,608,380
Other	802,313	962,441
	<u>\$ 24,047,412</u>	<u>21,521,595</u>

During fiscal year 2010 and 2009, net assets were released from donor restrictions by incurring operating expenses satisfying the restricted purposes of approximately \$3,985,000 and \$8,502,000, respectively. Further, approximately \$6,059,000 and \$10,355,000 were released from restriction for capital expenditures made during 2010 and 2009, respectively.

(12) Retirement Plan

The Corporation has a defined contribution retirement plan that covers substantially all employees meeting certain age and length of service requirements. Total retirement plan costs charged to operations were approximately \$35,455,000 and \$36,826,000 for the years ended June 30, 2010 and 2009, respectively, and are included in payroll taxes and benefits in the accompanying consolidated statements of operations.

(13) Commitments and Contingent Liabilities

The Corporation leases, for a nominal amount, the buildings and certain equipment for Ketchikan General Hospital from the City of Ketchikan, Alaska under a 10-year lease that expires in 2013.

On August 10, 2009, the Corporation opened SacredHeart Medical Center at RiverBend. The 1.2 million square foot facility is one of the Northwest's largest hospitals, with 386 patient beds and the only Level 2 trauma center in Lane County. This project was substantially completed in May 2010.

The Corporation plans to renovate the existing Sacred Heart University District campus. The Corporation has spent approximately \$12,452,000 as of June 30, 2010 and expects the total project to cost \$61,000,000 and extend through fiscal year 2014. The outstanding construction commitments are approximately \$48,548,000 as of June 30, 2010.

Various laws and regulations of federal, state, and local governments govern the healthcare industry. These laws and regulations are subject to ongoing government review and interpretation, as well as regulatory actions unknown or unasserted at this time. The Corporation is also involved in litigation and regulatory investigations arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Corporation's future financial position or results of operations.

PEACEHEALTH

Notes to Consolidated Financial Statements

June 30, 2010 and 2009

Future minimum lease payments under noncancelable capital and operating leases (with initial or remaining lease terms in excess of one year) as of June 30, 2010 are as follows:

	Capital leases	Operating leases
Year ending June 30:		
2011	\$ 1,319,615	8,261,108
2012	1,263,700	8,331,907
2013	914,447	6,468,910
2014	607,711	3,878,389
2015	603,255	1,877,011
Later years, through 2020	2,666,159	—
Total minimum lease payments	7,374,887	28,817,325
Less amount representing interest	1,177,327	
Present value of net minimum capital lease payments	6,197,560	
Less current installments of obligations under capital leases	1,070,392	
Obligations under capital leases, excluding current installments	\$ 5,127,168	

(14) Insurance Coverages

The Corporation has a self-insurance program for hospital and physician professional and general liability claims under which the Corporation contributes actuarially determined amounts to a trust to fund estimated ultimate losses. In connection with the self-insurance program, the Corporation has accrued estimates for asserted and incurred but not reported claims, including both the expected liability under each claim and the cost to administer the claim. The claims liability has been discounted to present value using a discount rate of 3%. Self-insured professional and general liability retention in 2010 and 2009 was \$5,000,000 per occurrence and \$18,000,000 in aggregate. Individual general and professional liability claims in excess of the above self-insured retention levels are insured through a claims-made excess insurance policy.

The Corporation also self-insures all or a portion of liabilities related to its medical and dental benefit plans, unemployment, and workers' compensation claims. Funding levels and liabilities are determined based on an actuarial study. Based on the actuarial studies, the Corporation has recorded a liability for all of the self-insurance programs of approximately \$56,280,000 and \$56,247,000 at June 30, 2010 and 2009, respectively. The liabilities are classified within other current liabilities and other long-term liabilities based on the historical amounts paid within one year. Total current amounts included in other current liabilities were approximately \$25,579,000 and \$16,748,000 at June 30, 2010 and 2009, respectively.

Funded amounts for all self-insured plans, were approximately \$57,478,000 and \$57,882,000 at June 30, 2010 and 2009 respectively, such amounts are held in trust and are included in assets whose use is limited in the accompanying consolidated balance sheets.

PEACEHEALTH

Notes to Consolidated Financial Statements

June 30, 2010 and 2009

(15) Subsequent Events

On March 17, 2010, the Southwest Washington Health System (Southwest) extended an invitation to PeaceHealth to enter into a process of formal discussions between the two not-for-profit health care organizations to explore a possible affiliation. PeaceHealth is now in a period of due diligence with Southwest leadership and its Board to determine if a formal affiliation should proceed.

As a result of recently enacted federal health care reform legislation, substantial changes are anticipated in the United States health care system. Such legislation includes numerous provisions affecting the delivery of health care services, the financing of health care costs, reimbursement of health care providers, and the legal obligations of health insurers, providers, and employers. These provisions are currently slated to take effect at specified times over approximately the next decade. This federal health care reform legislation does not affect the 2010 consolidated financial statements.



PeaceHealth

RECEIVED

November 8, 2010

NOV 10 2010

INSURANCE COMMISSIONER
COMPANY SUPERVISION

Ronald Pastuch, Holding Company Manager
Office of the Insurance Commissioner
State of Washington
5000 Capitol Blvd.,
Tumwater, WA 98501

RE: Form A Filing dated September 3, 2010 – Proposed acquisition of Control of
Columbia United Providers

Dear Mr. Pastuch:

Per your request, attached are the completed Affidavits and WSP background checks for
Alan Yordy and Stuart Hennessey.

As always, please feel free to contact me at (425) 649-3885 at any time with questions.

Sincerely,

Meredith Vaughan
System Director, Planning and Strategy

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names). _____

Peace Health, 14432 SE Eastgate Way, Ste 300, Bellevue WA 98007

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable). Alan Richard Yordy

2. a. Are you a citizen of the United States? yes
b. Are you a citizen of any other country, if so, what country? _____

3. Affiant's Occupation or Profession. President and Chief Mission Officer

4. Affiant's business address. 14432 SE Eastgate Way, Ste 300, Bellevue WA 98007
Business telephone. 425-649-3856

5. Education and Training:

College/ University	City/ State	Dates Attended (MM/YY)	Degree Obtained
<u>Grinnell College</u>	<u>Grinnell, IA</u>	<u>1974</u>	<u>yes</u>

Graduate Studies:	College/ University	City/ State	Dates Attended (MM/YY)	Degree Obtained
<u>Business & Communications</u>	<u>University of Oregon</u>	<u>Eug. OR</u>	<u>08/81</u>	<u>yes</u>
<u>Two Masters Degrees</u>	<u>University of Oregon</u>	<u>Eug. OR</u>	<u>06/97</u>	<u>yes</u>

Other Training: Name	City/ State	Dates Attended (MM/YY)	Degree/Certification Obtained

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

6. List of memberships in professional societies and associations.

Name of Society/Association	Contact Name	Address of Society/Association	Telephone Number of Society/Association
<u>Premier Board of Directors</u>	<u>Susan DeVore</u>		<u>704-733-5104</u>
<u>American College of Healthcare Executive</u>	<u>Karen Freeman</u>	<u>840 North Lake shore Dr. Chicago IL</u>	<u>312-424-9441</u>
<u>AEIX Insurance Board</u>	<u>maria vera</u>	<u>12255 El Camino Real, Ste 100 San Diego CA</u>	<u>858-481-2727</u>
<u>CHA Board</u>	<u>Sr. Carol Keehan</u>	<u>1875 Eye St. NW, Ste 1000 WA DC.</u>	<u>202-721-6337</u>

7. Present or proposed position with the applicant entity. President and Chief Mission officer

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) 2005 - Present Employer's Name PeaceHealth

Address 14932 SE Eastgate Way, Ste 300 City Belleve State/Province WA

Country USA Postal Code 98007 Phone 425-649-3856 Offices/Positions Held President and Chief Mission officer

Supervisor / Contact PeaceHealth Board of Directors

Beginning/Ending Dates (MM/YY) 1999 - 2005 Employer's Name PeaceHealth

Address 770 E 11th City Eugene State/Province Oregon

Country USA Postal Code 97401 Phone 541-686-3980 Offices/Positions Held Regional CEO & Sr V.P.

Supervisor / Contact John Hayward, President and Chief Mission officer

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____

Address _____ City _____ State/Province _____

Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____

Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____

Address _____ City _____ State/Province _____

Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____

Supervisor / Contact _____

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

9. a. Have you ever been in a position which required a fidelity bond? NO If any claims were made on the bond, give details. _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. NO

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued.. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that is reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

NON E

Organization/Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

Organization /Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency? NO

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action? NO

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action? NO

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? NO

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses? NO

Applicant Name (Company) Peace Health

NAIC No. _____
FEIN: _____

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? NO
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? NO
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? NO
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? NO
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? NO

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person.

If any of the stock is pledged or hypothecated in any way, give details. _____

13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities.

NO

If any of the shares of stock are pledged or hypothecated in any way, give details.

Applicant Name (Company)

PeaceHealth

NAIC No. _____

FEIN: _____

14. Have you ever been adjudged a bankrupt? NO If yes, provide details _____
15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.
- a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? NO
 - b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? NO
 - c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? NO

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this November day of 4 2010 at Bellevue, WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

[Signature]
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 4 day of Nov, 2010 By

Alan R Yordy, and:

who is personally known to me, or

who produced the following identification: _____

[SEAL]



Karen J. Gilson
Notary Public
Karen J. Gilson
Printed Notary Name
5-15-2012
My Commission Expires

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT
Supplemental Personal Information

(Print or Type)

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

Full Name, Address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

PeaceHealth, 14432 SE Eastgate Way, Ste 300, Bellevue WA 98007

1. Affiant's Full Name (Initials Not Acceptable). Alan Richard yordy

2. Have you ever used any other name including nickname, maiden name or aliases? NO If yes, give the reason if any, if none indicate such, and provide the full name(s) and date(s) used.

<u>Beginning/Ending Date(s) Used (MM/YY)</u>	<u>Name(s)</u>	<u>Reason (If None, indicate such)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Note: Dates provided in response to this question may be approximate. Parties using this form understand that there could be an overlap of dates when transitioning from one name to another.

3. Affiant's Social Security Number [Redacted]

4. Government Identification Number if not a U.S. Citizen _____

5. Foreign Student ID# (if applicable) _____

6. Date of Birth: (MM/DD/YY) [Redacted] Place of Birth: City [Redacted]
State/Province _____ Country USA

7. Name of Affiant's Spouse (if applicable) N/A

Applicant Name (Company) Peace Health

NAIC No. _____
FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending

Dates (MM/YY)	Address	City	State/ Province	Country	Postal Code
------------------	---------	------	--------------------	---------	-------------

1999-2005



2005-Present



Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 4th day of Nov, 2010 at Bellevue, WA I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

[Signature]
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 4 day of Nov, 2010 By

Alan R. Yordy, and:

who is personally known to me, or

who produced the following identification: _____



Karen J. Gilson
Notary Public
Karen J. Gilson
Printed Notary Name
5-15-2012
My Commission Expires

Applicant Name (Company) PeaceHealth

NAIC No. _____
FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS *(All states except California, Minnesota and Oklahoma)*

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

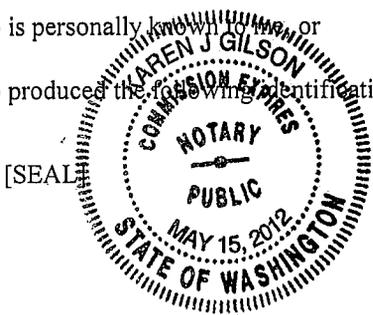
A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

(Printed Full Name and Residence Address)
[Signature] (Signature) Nov 4, 2010 (Date)

State of WA County of King

The foregoing instrument was acknowledged before me this 4 day of Nov 2010 By Alan R. Yordy, and

- who is personally known to me or
- who produced the following identification: _____



[Signature]
Notary Public
Karen J. Gilson
Printed Notary Name
KG 5-15-2012
My Commission Expires

Applicant Name (Company) PeaceHealth _____

NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full Name, Address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

PeaceHealth; 14432 SE Eastgate Way, Suite 300, Bellevue, WA 98007; 425-747-1171 _____

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable). Stuart Patrick Hennessey _____

2. a. Are you a citizen of the United States? Yes.

b. Are you a citizen of any other country, if so, what country?

No. _____

3. Affiant's Occupation or Profession. Attorney _____

4. Affiant's business address. 14432 SE Eastgate Way, Suite 300, Bellevue, WA 98007 _____

Business telephone. 425-649-3811 _____

5. Education and Training:

<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
University of Washington, Seattle, Washington,		1967-1971;	BA in Economics

<u>Graduate Studies:</u>	<u>College/ University</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree Obtained</u>
Columbia University School of Law;	New York, New York;	1971-1974;	Juris Doctor	

<u>Other Training: Name</u>	<u>City/ State</u>	<u>Dates Attended (MM/YY)</u>	<u>Degree/Certification Obtained</u>
None.			

(Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.)

Applicant Name (Company) PeaceHealth _____

NAIC No. _____
FEIN: _____

6. List of memberships in professional societies and associations.

<u>Name of Society/Association</u>	<u>Contact Name</u>	<u>Address of Society/Association</u>	<u>Telephone Number of Society/Association</u>
Washington State Bar Association	Unknown	1325 Fourth Ave., Ste. 600 Seattle, WA 98101-2539	800-945-WSBA (9722)

7. Present or proposed position with the applicant entity. Senior Vice President for Legal Affairs _____

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY) 09/89 - 11/10 Employer's Name PeaceHealth _____

Address 14432 SE Eastgate Way, Suite 300 City _____ Bellevue State/Province WA _____

Country USA Postal Code 98007 Phone 425-649-3811 Offices/Positions Held Senior VP for Legal _____

Supervisor / Contact Alan Yordy, President of PeaceHealth (see contact information for PeaceHealth, above) _____

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____

Address _____ City _____ State/Province _____

Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____

Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____

Address _____ City _____ State/Province _____

Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____

Supervisor / Contact _____

Beginning/Ending Dates (MM/YY) _____ - _____ Employer's Name _____

Address _____ City _____ State/Province _____

Country _____ Postal Code _____ Phone _____ Offices/Positions Held _____

Supervisor / Contact _____

Applicant Name (Company) PeaceHealth _____

NAIC No. _____
FEIN: _____

9. a. Have you ever been in a position which required a fidelity bond? NO. _____ If any claims were made on the bond, give details. _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? If yes, give details. NO. _____

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued.. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient

Licensed to practice law in the State of Washington – Bar Admission # 05661

Organization/Issuer of License Washington State Bar Assoc. _ Address 1325 Fourth Ave., Ste. 600
Seattle, WA 98101-2539 _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type Bar Association ___ License # 05661 _____ Date Issued (MM/YY) 10/25/74 _____

Date Expired (MM/YY) N/A _____ Reason for Termination N/A _____

Non-insurance Regulatory Phone Number (if known ? _____

Organization /Issuer of License _____ Address _____

City _____ State/Province _____ Country _____ Postal Code _____

License Type _____ License # _____ Date Issued (MM/YY) _____

Date Expired (MM/YY) _____ Reason for Termination _____

Non-insurance Regulatory Phone Number (if known) _____

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency?
NO. _____

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action?
NO. _____

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action?
NO. _____

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses? NO. _____

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses?

Applicant Name (Company) PeaceHealth _____

NAIC No. _____

FEIN: _____

NO. _____

- f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses? NO. _____
- g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking? NO. _____
- h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute? NO. _____
- i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government? NO. _____
- j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity? NO. _____

If the response to any question above is answered "Yes", please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

- 12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. NONE.

If any of the stock is pledged or hypothecated in any way, give details. N/A. _____

- 13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. If the answer is "Yes", please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities.

NO. _____

If any of the shares of stock are pledged or hypothecated in any way, give details.

N/A. _____

Applicant Name (Company) PeaceHealth _____

NAIC No. _____
FEIN: _____

14. Have you ever been adjudged a bankrupt? _____ NO. If yes, provide details _____

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity? If yes, please indicate and give details. When responding to questions (b) and (c) affiant should also include any events within twelve (12) months after his or her departure from the entity.

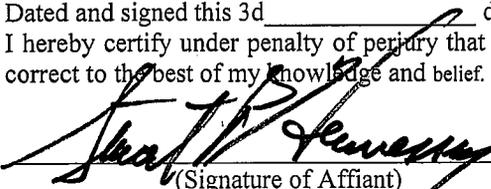
a. Been refused a permit, license, or certificate of authority by any regulatory authority, or Governmental-licensing agency? NO. _____

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)? NO. _____

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action? NO. HOWEVER, APPROXIMATELY 4-5 YEARS AGO PEACEHEALTH ACQUIRED THE STOCK OF A PROFESSIONAL CORPORATION KNOWN AS CARDIOVASCULAR SURGICAL ASSOCIATES, P.C. WHICH WAS INCORPORATED IN OREGON. THIS HAD BEEN A PHYSICIAN PRACTICE OWNED BY A GROUP OF CARDIOVASCULAR SURGEONS (OPEN HEART SURGEONS) AND THE ACQUISITION OF THE STOCK IN THEIR P.C. WAS PART OF A TRANSACTION IN WHICH THEY THEN BECAME EMPLOYEES OF PEACEHEALTH. AFTER THE TRANSACTION HAD CLOSED, THE FEDERAL GOVERNMENT INITIATED A BILLING INVESTIGATION CONCERNING EVENTS THAT HAD TAKEN PLACE BEFORE PEACEHEALTH'S ACQUISITION OF STOCK IN THE P.C. IT INVOLVED AN ALLEGATION THAT, ALTHOUGH PRESENT AT SURGERIES, THE ASSISTING SURGEONS IN THE GROUP HAD NOT BEEN SUFFICIENTLY INVOLVED IN DIRECT PATIENT CARE AT THE OPEN HEART SURGERIES SO THEY SHOULD HAVE BILLED AT A SLIGHTLY LESSER RATE THAN HAD BEEN USED. MY RECOLLECTION IS THAT THIS BILLING DIFFERENCE WAS APPROXIMATELY \$60 OUT OF A TOTAL CHARGE FOR OPEN HEART SURGERY THAT WAS OVER \$20,000. AT THE TIME OF THE INVESTIGATION, THE P.C. IN WHICH PEACEHEALTH THEN HELD STOCK WAS INACTIVE, HOLDING NO ASSETS EXCEPT PERHAPS A FEW RESIDUAL ACCOUNTS RECEIVABLE. EVENTUALLY, THE P.C. SETTLED THE ALLEGATIONS AGAINST IT BY PLEADING GUILTY TO 5 FEDERAL MISDEMEANORS AND AGREEING TO PAY A FINE. THE ASSISTANT UNITED STATE ATTORNEY FULLY UNDERSTOOD THAT AT THE TIME OF THE PLEAS THE P.C. WAS INACTIVE, HAD NO ASSETS, HAD NO EMPLOYEES AND WOULD BE DISSOLVED IMMEDIATELY AFTER CLOSURE OF THE INVESTIGATION. I AGREED TO ACT AS THE OFFICERS AND BOARD OF THE P.C. SO THAT THE INACTIVE P.C. COULD ENTER THE PLEAS. I HAVE ANSWERED THIS QUESTION "NO" BECAUSE NONE OF THE INCIDENTS UNDER INVESTIGATION HAD TAKEN PLACE DURING THE TIME PEACEHEALTH HELD THE STOCK OF THE P.C., LET ALONE YEARS LATER WHEN I AGREED TO ACT AS ITS BOARD AND OFFICERS IN ORDER TO END THE INVESTIGATION. _____

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this 3d _____ day of _____ November 2010 _____ at Bellevue, Washington. I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.



(Signature of Affiant)

State of Washington County of King

Applicant Name (Company) PeaceHealth _____

NAIC No. _____
FEIN: _____

The foregoing instrument was acknowledged before me this 3rd day of Nov., 2010 By

Stuart Hennessy, and:

who is personally known to me, or

who produced the following identification: _____



Diana Kaye
Notary Public
Diana Kaye
Printed Notary Name
3/31/2011
My Commission Expires

Applicant Name (Company) PeaceHealth _____

NAIC No. _____
FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending

Dates (MM/YY)	Address	City	State/ Province	Country	Postal Code
------------------	---------	------	--------------------	---------	-------------

3/96 TO CURRENT	[REDACTED]				
-----------------	------------	--	--	--	--

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this 3d _____ day of November __, 2010__ at Bellevue, Washington_____ I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief

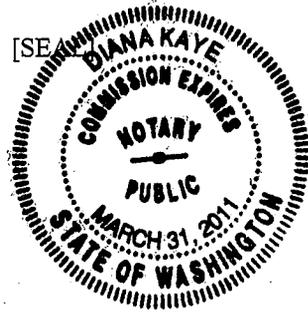
Stuart Hennessey
(Signature of Affiant)

State of Washington County of King

The foregoing instrument was acknowledged before me this 3rd day of Nov. 2010 By

Stuart Hennessey and:

- who is personally known to me, or
- who produced the following identification: _____



Diana Kaye
Notary Public
Diana Kaye
Printed Notary Name
3/31/2011
My Commission Expires

Applicant Name (Company) PeaceHealth _____

NAIC No. _____

FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS (All states except California, Minnesota and Oklahoma)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of PeaceHealth ("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both) ("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact Meredith Vaughan, System Director of Planning and Strategy, PeaceHealth, 14432 SE Eastgate Way, Suite 300, Bellevue, Washington 98007, 425-649-3885.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

Stuart Patrick Hennessey; _____
(Printed Full Name and Residence Address)

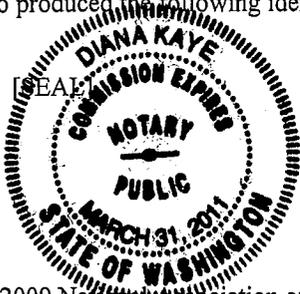
Stuart P Hennessey
(Signature)

11/8/10
(Date)

State of WA County of King

The foregoing instrument was acknowledged before me this 8th day of Nov. 2010 By Stuart P Hennessey and _____

- who is personally known to me, or
- who produced the following identification: _____



Diana Kaye
Notary Public
Diana Kaye
Printed Notary Name
3/31/2011
My Commission Expires



OFFICE OF
INSURANCE COMMISSIONER

Please reply to:
PO Box 40259
Olympia, WA 98504-0259
FAX: (360) 586-2022

November 23, 2010

MEREDITH VAUGHAN
SYSTEM DIRECTOR, PLANNING AND STRATEGY
PEACEHEALTH
14432 SE EASTGATE WAY, SUITE 300
BELLEVUE, WA 98007-6412

Re: Form A Filing dated September 3, 2010 – Proposed Acquisition of Control of
Columbia United Providers

Dear Ms. Vaughan:

We are continuing our review of the above Form A filing received on September 8, 2010, and subsequent filings received on September 21, 2010, October 29, 2010, and November 8, 2010.

To memorialize my email last week, I indicated that the OIC is not in a position to provide any recommendation regarding this application due to limited documentation provided to date and is not informative as to the business reasons and public benefits of this proposed affiliation. We do not understand the reason for this proposed transaction and its benefits of this affiliation would provide to the general public. Please elaborate.

As you know, Columbia United Providers was formed to provide health insurance for enrollees of Washington State health insurance programs: Healthy Options, Basic Health Plan and State Children's Health Insurance Program. The state is currently in a fiscal condition which may limit coverages to current and future enrollees yet to be determined by the Legislature.

Under Item 2 of the Form A, please provide the percentage of ownership, subscription, or controlling interests of Premier Purchasing Partners and American Excess Insurance Exchange, RRG. Also, is any joint venture of Health Ventures also partially owned by Southwest Washington Health Systems or its affiliates? If so, please provide which entities and their ownership percentages.

Under Item 3 of the Form A, please provide additional information of any listed persons' now serving on any unaffiliated board of directors and list their term.

November 23, 2010

Page 2

Under Item 4 of the Form A, PeaceHealth would not pay any consideration for this affiliation. Other than expanding the scope of your service area, what other underlying business reasons could be realized from this affiliation? What would PeaceHealth bring to Columbia United Providers and its affiliates that cannot be achieved by Columbia United Providers' current owner?

Under Item 5 of the Form A, PeaceHealth would not make any material changes to the business operations or management of Columbia United Providers. Given these facts and PeaceHealth would propose to be the ultimate controlling person of Columbia United Providers, how would PeaceHealth address the growing concerns these state programs may be materially altered that would ultimately affect Columbia United Providers?

Under Item 6 of the Form A, you describe what would happen on the PeaceHealth board of directors. What would happen to the Columbia United Providers' board after the affiliation?

Also under Item 6, which PeaceHealth directors or officers will be appointed to Southwest Washington Health Systems' board of directors?

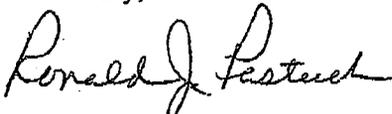
Under Item 7, please elaborate any proposed arrangements or understanding with respect to the voting securities of the health carrier will be entered into after the proposed transaction.

Under Item 8 of the Form A, what is the status of the stock repurchase program from Columbia United Providers' minority common stockholders?

As a result of this request for additional information, please be advised the filing is incomplete and therefore the filing is tolled. Our review will commence when we receive the response to this letter.

If you have any questions, please call me at 360-725-7211 or Marcia Stickler, OIC Staff Attorney, at 360-725-7048.

Yours truly,



RONALD J. PASTUCH, CPA
Holding Company Manager
Company Supervision Division
Fax: 360-586-2022

cc: Marcia Stickler, Staff Attorney



PeaceHealth

December 1, 2010

Ronald Pastuch, Holding Company Manager
Office of the Insurance Commissioner
State of Washington
5000 Capitol Blvd.
Tumwater, WA 98501

RECEIVED

DEC 02 2010

INSURANCE COMMISSIONER
COMPANY SUPERVISION

RE: Form A Filing dated September 3, 2010 – Proposed acquisition of Control of Columbia United Providers

Dear Mr. Pastuch:

In response to your November 23rd request for further information regarding PeaceHealth's Form A filing of September 3, 2010, attached you will find our response for each question.

As we have discussed on multiple occasions for the past 3 months, PeaceHealth and Southwest Washington Health System (SWHS) have long planned an affiliation Closing date of December 31, 2010 subject to regulatory approvals. CUP is a small but important part of the overall PeaceHealth/SWHS affiliation. Consistent with our plans all along, PeaceHealth does not plan to make any changes in governance, control, operations, products, or services for CUP at the time of Closing. As a result, I appreciate your efforts and continued commitment to complete the review of this pending transaction prior to December 31, 2010.

Please confirm with the receipt of this supplemental information request that the file is now complete. Peter Adler and I would like meet with you and other OIC management associated with the CUP review within 5 business days of receipt of this response, or by December 8th. Peter and I will be accompanied by our General Counsel, Stuart Hennessey, so you may wish to have your counsel, Marcia Stickler, join the meeting as well. Please let me know later today of a time that would work for you and Ms. Stickler so we can make our travel arrangements.

Please feel free to contact me at (425) 649-3885 to schedule our meeting and with any questions about the attached response.

I look forward to hearing from you.

Sincerely,

Meredith Vaughan
System Director, Planning and Strategy

CC: Peter Adler, PeaceHealth Sr. Vice President, Strategy, Innovation and Development
Stu Hennessey, PeaceHealth General Council
Marcia Strickler, OIC Staff Attorney



**Response to November 23, 2010 Request for Information
Columbia United Providers – Form A**

QUESTION/ISSUE 1. *We do not understand the reason for this proposed transaction and its benefits of this affiliation would provide to the general public. Please elaborate.*

We presume that, consistent with your statutory authority, your question pertains to the interest in Columbia United Providers (“CUP”) that is owned by Southwest Washington Health System (“SWHS”). We further presume you appreciate that CUP is a relatively small part of the total SWHS operations and assets, and that it is not a primary reason for the pending affiliation between SWHS and PeaceHealth. To that end, there are no changes planned to CUP’s board, service area, products, or services at closing. In fact, when PeaceHealth becomes the sole member of SWHS at closing, CUP will continue to be a subsidiary of SWHS.

PeaceHealth’s due diligence related to the transaction has indicated that CUP is a well-run company that serves a purpose aligned with PeaceHealth’s goal of providing access to quality medical care, with a particular emphasis on serving those of limited financial means. Thus, PeaceHealth does not anticipate using its reserved powers in SWHS to make any material change in the management or governance of CUP at the time of closing. Rather, your office and the general public can expect continuity with the sound management practices of the past and no material changes in personnel.

Consistent with prudent financial and business planning, PeaceHealth may, at a future date, encourage CUP to consider expanding its service area, which if pursued, would be done in compliance with all pertinent laws and regulations as administered by the Insurance Commissioner.

In summary, PeaceHealth will support a continuity of CUP’s past and current prudent management practices and service offerings. We believe that just as it has in the past, this will continue to benefit the general public and will support PeaceHealth’s charitable mission.

QUESTION/ISSUE 2. Under Item 2 of Form A, please provide the percentage of ownership, subscription, or controlling interests of Premier Purchasing Partners and American Excess Insurance Exchange, RRG.

PeaceHealth holds a 2.77% interest in Premier Purchasing Partners. PeaceHealth holds a 4.17% interest in American Insurance Exchange, RRG.

Also, is any joint venture of Health Ventures also partially owned by Southwest Washington Health Systems or its affiliates? If so, please provide which entities and their ownership percentages.

No, neither SWHS nor its affiliates, partially own any of Health Ventures' current joint ventures.

QUESTION/ISSUE 3. Under Item 3 on Form A, please provide additional information of any listed persons now serving on any unaffiliated board of directors and list their term

PeaceHealth Board Member	Service on non-PeaceHealth Affiliated Board(s)	Term of Service	Current Term Expiration Date
Sr. Andrea Nenzel, CSJP	Jubilee Women's Center Washington State Hosp Association	No Term 3 years	n/a December, 2011
Dieter Morich, MD	None		
Sr. Monica Heeran, CSJP	Volunteers in Medicine	3 years	Sept, 2012
Terry Brandon	Rising Star Productions	3 years	June, 2012
Norah Clarke, CSJP	None		
Joe Gonyea, II	University of Oregon Foundation	4 years	June, 2014
Tom Grove	Oregon Pacific Banking Company Friends of Florence Inc.	3 years 3 years	May, 2012 June, 2011
Sr. Anne Hayes, CSJP	None		
Carol Sheridan	None		
Sr. Margaret Dimond, CSJP	None		
Sr. Eleanor Gilmore, CSJP	Mercy Housing Northwest	3 years	November, 2014
Sr. Kathleen Pruitt, CSJP	None		
Roland Trenouth, MD	Mt. Baker Kidney Center	3 years	June, 2012
Officers of the PeaceHealth Board			
Alan Yordy (president)	Catholic Health Association Premier 3-year term ending	3 years 3 years	June, 2011 Sept, 2013
Sr. Andrea Nenzel, CSJP (first vice-president)	See above		

Sr. Monica Heeran, CSJP (secretary)	See above		
Stuart Hennessey (assistant secretary)	None		
Terry Brandon (treasurer)	See above		

QUESTION/ISSUE 4. *Under Item 4 of Form A....what other underlying business reasons could be realized from this affiliation? What would PeaceHealth bring to Columbia United Providers and its affiliates that cannot be achieved by Columbia United Providers' current owner?*

CUP's current owner, SWHS, will continue to be the same owner of CUP when the PeaceHealth/Southwest affiliation closes. All that will change is that PeaceHealth will become the sole member of SWHS. (Please see the answer to your first question, above for a more detailed response.)

QUESTION/ISSUE 5. *Under Item 5 of Form A... how would PeaceHealth address the growing concerns these state programs may be materially altered that would ultimately affect Columbia United Providers?*

As noted above, PeaceHealth does not anticipate any material change to CUP's management or the sound management practices that they have heretofore employed. You can expect that CUP's management will continue to exercise the same prudence they have shown in the past. Since the specific impact of Washington State's budget issues on the government healthcare financing programs in which CUP participates is not yet known, no more specific answer is available at this time.

QUESTION/ISSUE 6. *Under Item 6 of Form A...what would happen to the Columbia United Providers' board after the affiliation?*

As noted above, PeaceHealth does not anticipate making any material change to the CUP board, nor to CUP management. In addition, as noted in PeaceHealth's Form A filing, response to question 6(b), the process for the election of CUP's Board of Directors is delineated in CUP's current bylaws, which will not change at closing.

Which PeaceHealth directors or officers will be appointed to Southwest Washington Health Systems' board of director?

Andrea Nenzel, CSJP and Terry Brandon

QUESTION/ISSUE 7. *Under Item 7, please elaborate any proposed arrangements or understanding with respect to the voting securities of the health carrier will be entered into after the proposed transaction.*

There are no such proposed arrangements or understandings.

QUESTION/ISSUE 8. *Under Item 8 of Form A, what is the status of the stock repurchase program from Columbia United Providers' minority common stockholders?*

CUP's stock repurchase program remains in place and will not change at closing.