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STATE OF WASHINGTON  
OFFICE OF INSURANCE COMMISSIONER

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OFFICE OF INSURANCE COMMISSIONER

In the Matter of:

SOUNDPATH HEALTH, INC.

Respondent.

Agency No. \_\_\_\_\_

REQUEST FOR HEARING RE:DRAFT  
TARGET FINANCIAL  
EXAMINATION REPORT OF  
SOUNDPATH HEALTH, INC. AS OF  
DECEMBER 31, 2011

Pursuant to RCW 48.03.040(3), SOUNDPATH HEALTH INC. (NAIC 12909) ("Soundpath") hereby requests a hearing regarding the draft Target Financial Examination Report provided by OIC letter dated November 20, 2012. Soundpath requests a hearing on the following issues:

1. Lease Transactions- whether the referenced lease transactions were properly and timely reported and properly recorded. Soundpath contends that three (3) of the four (4) schedules were properly and timely reported and recorded and that the two Schedules (No/s 1 & 2) should be accounted for as a sale of non-admitted assets and a leaseback as an operating lease in accordance with SSAP 22. The company disagrees that all the Schedules are subject to deposit accounting rather than sale and leaseback accounting under SSAP 22. The company further disagrees that the leases were material transactions given that they involved non-admitted assets and were not required to be filed with the

REQUEST FOR HEARING - 1

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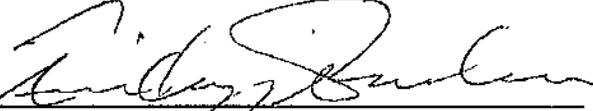
OIC. The company is aggrieved by the OIC's description of the reporting and recording and the description of the leases because it reflects on the accuracy of company Quarterly Statements and financial reporting and negatively affects capital and surplus.

2. Accounting Irregularities – whether irregularities in internally recorded financial transactions which were discovered and remedied by the company in the ordinary course occurred because of insufficient documentation or a lack of appropriate controls. The company contends that its controls were reasonable and effective in discovering and rectifying the irregularities. The company is aggrieved by a draft finding of company culpability.
3. Reinsurance Accounting – whether the Canada Life Assurance Reinsurance agreement is entitled to reinsurance accounting pursuant to ch. 48.12 RCW. The company contends the reinsurance agreement was entered into on the advice of the OIC and that the agreement transfers company risk. The company is aggrieved by the draft conclusion that deposit accounting should be employed as this would negatively affect capital and surplus.

Pursuant to RCW 48.04.010(5) the company elects to have this matter adjudicated by the Office of Administrative Hearings.

DATED this 12th day of December, 2012.

CARNEY BADLEY SPELLMAN, P.S.

By 

Timothy J. Parker, WSBA # 8797  
Attorney for Soundpath Health, Inc.

REQUEST FOR HEARING – 2

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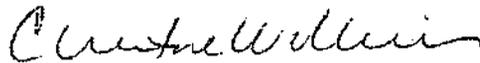
**CERTIFICATE OF SERVICE**

I, Christine Williams, under oath hereby declare as follows: I am an employee at Carney Badley Spellman, P.S., over the age of 18 years, and not a party to nor interested in this action. On December 12, 2012, I caused to be delivered via legal messenger a copy of the foregoing document on the following parties at the last known address as stated:

Patricia Petersen – ORIGINAL Chief Hearing Officer Office of the Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501	Charles Brown Legal Affairs Division Office of the Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501
Mr. James T. Odiorne Deputy Commissioner Office of the Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501	Michael G. Watson Chief Deputy Insurance Commissioner Office of the Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501
Patrick H. McNaughton Chief Examiner Office of the Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501	

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF WASHINGTON THAT THE FOREGOING IS TRUE AND CORRECT.

DATED this 12th day of December, 2012.



Christine Williams, Legal Assistant

STATE OF WASHINGTON OFFICE OF INSURANCE COMMISSIONER

In the Matter of:

SOUNDPATH HEALTH, INC.

No.

DECLARATION OF  
EMAILED DOCUMENT  
(DCI.R)

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I declare as follows:

1. I am the party who received the foregoing email transmission for filing.
2. My address is: 3400 Capitol Blvd. S #103, Tumwater WA 98501
3. My phone number is (360) 754-6595.
4. I have examined the foregoing document, determined that it consists of 4 pages, including this Declaration page, and that it is complete and legible.

I certify under the penalty of perjury under the laws of the State of Washington that the above is true and correct.

Dated: December 12, 2012 at Tumwater, Washington.

Signature: \_\_\_\_\_

Print Name: James Lincoln