

CARNEY
BADLEY
SPELLMAN

Timothy J. Parker

FILED

2013 FEB -6 P 12:33

Law Offices
A Professional Service Corporation

701 Fifth Avenue, Suite 3600
Seattle, Washington 98104-7010
T (206) 822-8020
F (206) 467-8215
Direct Line (206) 607-4153

Email: parker@carneylaw.com

Hearings Unit, DIC
Patricia D. Peterson
February 6, 2013 Hearing Officer

VIA E-MAIL

Ms. Kelly Cairns
Office of the Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

Re: Proposed Acquisition of Control of Soundpath Health, Inc. by Catholic Health Initiative

Dear Ms. Cairns:

I write to request that the referenced matter be set for hearing at the earliest opportunity. While it is common for the parties to an insurer, healthcare service contractor or HMO acquisition to seek prompt scheduling for their own business purposes, this matter presents some special circumstances. I believe the request for a prompt setting is also supported by the Commissioner.

I represent Soundpath in this matter and have represented the Company in discussions with the Commissioner's office for several years. Soundpath is a relatively new company, so its capitalization has been a topic of discussion with the OIC. We have worked collaboratively but, as you are aware, differences of opinion over some aspects of risk-based capital accounting have given rise to two hearing requests within the past 12 months.

In the meantime, Soundpath received an offer from Catholic Health Initiatives to acquire a majority of its stock. The transaction will result in a substantial increase in Soundpath's capital and surplus, at which time the accounting issues between the OIC Company Supervision Department and the Company will become moot. It will also dispense with the need for additional hearings that Judge Peterson would ultimately have to adjudicate by way of final orders.

If Judge Peterson determines to approve this acquisition, which I understand the OIC will support, and her approval is rendered before month end, the transaction can close immediately and any concern about the financial stability of Soundpath and the Medicare services it renders to a large number of Washington consumers will be allayed.

Again, I understand that the Hearings Unit is frequently inundated with requests to expedite Form A hearings. I believe that the officials in the Company Supervision Division of the Department will affirm, however, that this request is in the best interest of not just the parties to the

Ms. Kelly Cairns
February 6, 2013
Page 2

transaction but also to the OIC and the Washington consumers receiving their healthcare through Soundpath.

Please extend my appreciation to Judge Peterson for considering a February setting.

Very truly yours,

CARNEY BADLEY SPELLMAN, P.S.



Timothy J. Parker

TJP:cw

cc: Kate Reynolds
Chuck Brown
Bob Sullivan

Pursuant to U.S. Treasury Circular 230, this communication is not intended or written by Carney Badley Spellman, P.S. to be used, and it may not be used by you or any other person or entity, for the purpose of (i) avoiding any penalties that may be imposed on you or any other person or entity under the United States Internal Revenue Code, or (ii) promoting, marketing, or recommending to another party any transaction or matter that is addressed herein.