THE COMMONWEALTH COURT OF PENNSYLVANIA

JOEL S. ARIO, Acting Insurance Commissioner of the Commonwealth of Pennsylvania, Plaintiff, v. RELIANCE INSURANCE COMPANY, Defendant.	:	No. 269 M.D. 2001
PALM SPRINGS GENERAL HOSPITAL and BAPTIST HEALTH SOUTH FLORIDA, INC., Objectors, v. JOEL S. ARIO, Acting Insurance Commissioner of the Commonwealth of Pennsylvania, Respondent.	:	Before JAMES GARDNER COLINS, President Judge

LIQUIDATOR'S REPLY MEMORANDUM IN SUPPORT OF HIS PETITION FOR DEFAULT JUDGMENT AGAINST PALM SPRINGS GENERAL HOSPITAL

A. INTRODUCTION

From its belated actions and inactions, Palm Springs General Hospital ("Palm Springs")'s message to the Respondent and the Court is that it may willfully (1) fail to produce a corporate designee for deposition; (2) fail to respond to Reliance's petition to compel a corporate designee deposition; (3) wait over a year and a half to oppose the Liquidator's Petition for Default Judgment; and (4) explain away its discovery violations by arguing that there is no need for a corporate designee deposition because, in its view, there are no disputed material facts. Palm Springs, however, is not free to pick and choose when to participate in the litigation it

initiated. As a party seeking direct access to reinsurance, Palm Springs bears the burden of setting forth a factual record in support of its claim and must allow for complete and meaningful discovery into its claim. Indeed, in this case, the Pennsylvania Supreme Court expressly ordered "discovery relating to the issue of whether Palm Springs General Hospital and Baptist Health South Florida Hospital are entitled to direct access to reinsurance proceeds from American Healthcare Indemnity Company." *Koken v. Reliance Ins. Co.*, 586 Pa. 100, 891 A.2d 704 (2005). Therefore, Palm Springs' dilatory and willful discovery violations should not be rewarded by allowing it to continue to pursue its claim for direct access.

Accordingly, the Liquidator asks that default judgment be entered against Palm Springs and that Palm Springs be ordered to pay fees and costs associated with the Petition for Default Judgment, as well as the fees and costs associated with the Liquidator's September 6, 2006 Petition to Compel Deposition of Palm Springs Corporate Designee.

B. LEGAL ARGUMENT

1. Palm Springs' Response to the Liquidators Petition for Default Judgment is Out of Time and Should be Disregarded as a Matter of Law.

The Liquidator filed his Petition for Default Judgment on October 16, 2006. Under Pennsylvania Rule of Civil Procedure 208.3(b), "any party opposing a motion . . . shall file the response within twenty days after service of the motion." Pa.R.Civ.P. 208.3(b). Palm Springs' response in opposition was filed with this Court on March 14, 2008—515 days after the Liquidator's petition. Palm Springs, which offers no legitimate defense or justification for its delay in responding to the Liquidator's petition, wants this Court to ignore the fact that Palm Springs' opposition is nearly a year and a half late. Pennsylvania courts, however, have held that out-of-time responses should only be entertained on a showing of compelling reasons for a party's failure to file a timely response and the absence of any prejudice to the adverse party.

Commonwealth v. Diamond Shamrock Chemical Company, 38 Pa. Commw. 89, 994, 391 A.2d 1333, 1336 (1978).

Here, Palm Springs' response to this petition for default judgment is grossly out of time and Palm Springs has not given any reason for its delay. Therefore, Palm Springs' opposition should be disregarded as a matter of law and default judgment entered in favor of the Liquidator. However, even if this Court does not reject out-of-hand Palm Springs' opposition to the Liquidator's Petition for Default Judgment, Palm Springs' arguments only further evidence why default judgment is an appropriate sanction for Palm Springs' willful discovery violations.

2. Palm Springs Was Obligated to Produce a Corporate Designee.

Somehow Palm Springs believes that it can unilaterally make the decision not to produce a corporate designee when faced with a proper notice of deposition. This position finds no support under the Pennsylvania Rule of Civil Procedure. Rule 4007.1(e) states that upon receipt of a corporate designee notice of deposition, the "organization so named *shall* serve a designation of one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf." Pa.R.Civ.P. 4007.1(e) (emphasis added). If Palm Springs believed there was no such person it could designate to testify, the proper procedure was for Palm Springs to seek relief from its obligations under Rule 4007.1(e) from this Court. Palm Springs did not do this. Then, in the face of a properly filed petition to compel that corporate designee deposition, Palm Springs had a second opportunity to seek relief from this Court. Again, Palm Springs did not ask this Court to excuse it from producing a corporate designee; instead, it did nothing. Now, a year and a half after the Liquidator filed its Petition for Default Judgment, Palm Springs wants to offer arguments that could have and should have been made over a year and a half ago.

a. Palm Springs was obligated to educate a designee with information reasonably available to it.

Palm Springs argues that it has "advised the Liquidator that the individuals at Palm Springs who had been involved in the SCPIE Program were no longer employed by the Hospitals and thus no longer under their control." *See* Palm Springs General Hospital's Response to the Liquidator's Petition for Default Judgment at paragraph 3 and Memorandum of Law in Opposition of Liquidator's Petition for Default Judgment Against Palm Springs General Hospital at p. 10. Simply stating that the person or persons with first hand knowledge are no longer employed by Palm Springs did not absolve Palm Spring from producing a corporate designee. This sort of denial is simply not permitted by the Rules of Civil Procedure. Specifically, Rule 4007.1(e) states that the "person or persons so designated shall testify as to matters known *or reasonably available* to the organization." Pa.R.Civ.P. 4007.1(e) (emphasis added). Palm Springs, therefore, was required to designate an individual and educate that individual with information that is reasonably available to Palm Springs.

Palm Springs has made no showing that it is without available information preventing a Palm Springs officer, director or managing agent from grasping the facts and testifying on Palm Springs' behalf. In fact, Palm Springs now offers to produce its broker, a person with *first-hand knowledge* of the subject matter, as a designee if the Court determines that a corporate designee deposition should take place, calling into question why this individual was not designated and produced for deposition when the Liquidator initially noticed the corporate designee deposition. In fact, Rule 4019 specifically states that a court may enter a sanction order if "a corporation or other entity fails to make a designation under . . . Rule 4007.1(e)," leaving no question that a corporation simply cannot choose to not present a corporate designee.

Pa.R.Civ.P. 4019(a)(1)(ii). Default judgment is the only appropriate sanction given Palm Springs' cavalier attitude toward its obligations under Rule 4007.1(e).

b. Material Facts are in Dispute Justifying a Corporate Designee Deposition

Palm Springs also argues that a corporate designee deposition is unnecessary because the material facts are undisputed. To allow a plaintiff, such as Palm Spring, to not fully participate in discovery, based on so-called undisputed facts even though it has not even filed a motion for summary judgment threatens to undermine the integrity of the judicial process. More importantly, Palm Springs position is not based on the current factual record, which clearly establishes that it is disputed whether Palm Springs is entitled to direct access.

According to Palm Springs, direct access under *Legion* requires consideration of five factors. *See* Memorandum of Law in Opposition of Liquidator's Petition for Default Judgment Against Palm Springs General Hospital at p. 5. The factors are: 1) did the insurer take on any underwriting risk or act as a front; 2) did the insurer enter into the transaction in order to generate fees, and not premium; 3) did the 'reinsurer' function as a 'direct insurer' for the policyholder and was the claims handling process and the funding of claims the responsibility of the reinsurer; 4) did the policyholder facilitate the reinsurer's involvement; and 5) did the equities favor the policyholder's claim to direct access. *Ario v. Swiss Reinsurance America Corp.*, 940 A.2d 552, 558 (Pa. Commw. 2007) citing *Legion*, 831 A.2d at 1234-1238. The Liquidator disputes that Palm Springs can establish each of the five factors.

In particular, the Liquidator disputes that "Reliance was the last party 'to the table,'" and that Palm Springs "facilitate[d] the reinsurer's involvement." *See* Memorandum of Law in Opposition of Liquidator's Petition for Default Judgment Against Palm Springs General Hospital at p. 6. Indeed, Palm Springs acknowledges that Sullivan, Kelly & Associates

established the Farmers Program which ultimately became the SCPIE Program *Id.* As Reliance's Joe Slaton testified, Reliance was involved in the Farmers Program for years and, unlike in *Legion*, was identified as a potential insurer for what ultimately became the SCPIE Program long before anyone involvement by the reinsurer. *See* Deposition of Joseph Slaton at 23:6-29:22, attached as Exhibit A. The timing and extent of Palm Springs' involvement in the reinsurance placement, therefore, are not undisputed. Accordingly, the corporate designee deposition, was and is necessary for two purposes (1) to determine what facts, if any, exist to support Palm Springs contention that its involvement in the SCPIE program pre-dated Reliance's involvement and (2) to determine what role, if any, Palm Springs played in involving the reinsurer in the SCPIE program.

3. Under Rule 4019, Default Judgment Is An Appropriate Sanction

The parties agree that, under Rule 4019, the following factors are to be considered in determining an appropriate discovery sanction: (1) the nature and severity of the discovery violation; (2) the defaulting party's willfulness or bad faith; (3) prejudice to the opposing party; (4) the ability to cure the prejudice; and (5) the importance of the precluded evidence in light of the failure to comply. *Philadelphia Contributorship Ins. Co. v. Shapiro*, 798 A.3d 781, 784-85 (Pa. Super. 2002). Here, each of the factors weighs in favor of entering default judgment against Palm Springs.

First, Palm Springs violation is not merely its failure to produce a corporate designee. Palm Springs also failed to respond to Reliance's petition to compel a corporate designee deposition, which prompted Reliance to file its Petition for Default Judgment. Then Palm Springs failed to respond to the Liquidator's Petition for Default Judgment within the 20 day response period required by Rule 208.3(b).

Second, Palm Springs violations are willful. Palm Springs willfully chose not to produce a corporate designee; willfully chose not to respond to the Liquidator's Petition to Compel the Corporate Designee Deposition; and then sat back and waited for over a year to respond to the Liquidator's petition for default judgment. Palm Springs has not shown that its actions were "inadvertent mistakes" or a result of "scheduling problems" such that default judgment would be inappropriate. *See* Palm Springs Memo of Law in Opposition at 9-10. Quite the contrary, Palm Springs "repeated discovery abuses in this case" warrant Rule 4019 sanctions. *Steinfurth v. LaManna*, 404 Pa. Super. 384, 388, 590 A.2d 1286, 1288 (1991). Palm Springs' response to this petition is so severely tardy, it only serves to support Reliance's claim and further warrants the entry of default judgment. *See Luszcynski v. Bradley*, 729 A.2d 83, 88 (Pa. Super. 1999) (default judgment was an appropriate sanction for discovery violations which are "a direct affront to the authority of the trial court and to the integrity of the judicial system and the rule of law"). Palm Springs failure to prosecute its purported claim for direct access can only be construed as a willful abandonment of that claim. It is now appropriate for this Court to enter default judgment against Palm Springs due to its willful neglect.

Third, the Liquidator has been prejudiced by Palm Springs' actions. The Liquidator's ability to collect reinsurance proceeds from AHIC are impaired by Palm Springs' claim for direct access. While, Palm Springs erroneously suggests that it is the Liquidator's burden to take "action regarding this issue or this dispute," *see* Palm Springs Memo of Law in Opposition at 9, it is Palm Springs, who must prosecute its direct access claim or risk having default judgment entered against it. Allowing Palm Springs to ignore its discovery obligations and maintain its claim only further prejudices the Liquidator.

Fourth, Palm Springs offer to cure the prejudice to the Liquidator by producing a corporate designee for deposition does not outweigh the needless delay and unnecessary expense incurred by the Liquidator in securing a corporate designee deposition and having this direct access claim resolved.

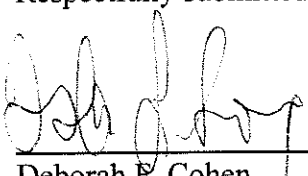
Fifth, Palm Springs acknowledges that its role in the placement of the reinsurance is an important factual component to a claim for direct access. However, it also seeks to improperly foreclose the Liquidator from discovery into the factual basis upon which Palm Springs will establish its role in the placement of the reinsurance.

C. CONCLUSION

Palm Springs has caused nothing but undue delay and increased costs to the Liquidator, which could have been avoided by either complying with its discovery obligations under Rule 4007.1(e)—i.e., designating and producing a corporate designee, as it now, a year and half too late, offers--or by asking this Court for relief from its obligations under Rule 4007.1(e). Palm Springs must be appropriately sanctioned for not acting in good-faith and failing to fully participate in the discovery ordered by the Pennsylvania Supreme Court.

Accordingly, the Liquidator requests that this Court enter default judgment against Palm Springs and require Palm Springs to pay the fees and costs associated with the filing of this Petition as well as the Liquidator's Petition to Compel the Deposition of Palm Springs Corporate Designee.

Respectfully submitted,



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Acting Insurance Commissioner of the
Commonwealth of Pennsylvania
in His Official Capacity as
Statutory Liquidator of Reliance
Insurance Company (In Liquidation)

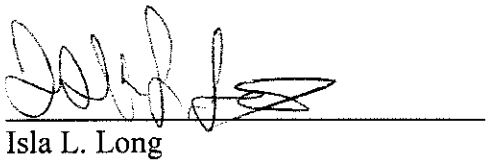
Dated: March 26, 2008

CERTIFICATE OF SERVICE

I hereby certify that on March 26, 2008, a true and correct copy of the foregoing LIQUIDATOR'S REPLY MEMORANDUM IN SUPPORT OF HIS PETITION FOR DEFAULT JUDGMENT AGAINST PALM SPRINGS GENERAL HOSPITAL was served upon the following:

Via First Class Mail
Daryn E. Rush, Esquire
1700 Two Logan Square
18th & Arch Streets
Philadelphia, PA 19103-2769

Attorney for Objectors Palm Springs General Hospital and Baptist Health South Florida, Inc.



Isla L. Long

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In the Matter of the Arbitration between

ONEBEACON AMERICAN INSURANCE COMPANY,

Petitioner,

-against-

EXCESS AND CASUALTY REINSURANCE ASSOCIATION,

Respondents.

----------x

DEPOSITION OF JOSEPH A. SLATON, a witness called by and on behalf of the Respondent, taken before Terri Fudens, a Stenotype Reporter and Notary Public of the State of New York at the offices of Reliance Insurance, 75 Broad Street, New York, New York, on Thursday, September 28, 2006 at 10:24 a.m.

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BY: DARYN E. RUSH, ESQ.

September 28, 2006

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EXHIBITS

JS:	DESCRIPTION:	PAGE
1	A document containing handwriting Bates stamped REL-SC0411	67
2	A document containing handwriting dated 9/26/95	68
3	A three-page handwritten document Bates stamped REL-SC2547 - 2549	72
4	A one-page handwritten document Bates stamped REL-SC2715	73
5	A three-page document from Sullivan, Kelly & Associates Bates stamped REL-SC2528 - 2530	74
6	A two-page memorandum dated January 18, 1996 to Joe Slaton from Blake Hyfield Bates stamped REL-SC0408 - 0409	75
7	A one-page handwritten document dated 3/6/96 Bates stamped REL-SC0493	81
8	A document dated March 6, 1996 to Debbie Schwab from Blake Hyfield Bates stamped REL-SC0494 - 0496	82
9	A two-page handwritten document dated 5/6/96 Bates stamped REL-SC0502 - 0503	85
10	A letter from Sullivan Kelly consisting of three pages dated August 27, 1996 from Stephanie A. Cafiero to Neil Silvesky at Reliance National	92

EXHIBITS

JS	DESCRIPTION	PAGE
11	A document entitled Partners In Change With Your Hospital Bates stamped BH 8644 -8676	95
12	A September 6, 1996 presentation for Baptist Health Systems of South Florida from Sullivan Kelly Bates stamped BH 8278 - 8362	96
13	A letter dated October 10, 1996 to Joseph R. Henkes from Neil Silvesky Bates stamped SCPIE 003668 - 003669	98
14	A document from Sullivan Kelly dated October 15, 1996 to Van Anderson from Kathy Hill Bates stamped SCPIE 000919 - 000923	100
15	A memorandum dated August 1, 1997 to file from Neil Silvesky Bates stamped REL-SC1313	102
16	A memorandum to ObrienM@NYProd.AS400.RN from Walter Gross	104
17	An E-mail to Neil Silesky from James Baldyga dated December 1, 1998 and an E-mail to Walter Gross dated 10/28/98 Bates stamped REL-SC2419 - 2420	104
18	A 1996-97 Automatic Facultative Quota Share Reinsurance Agreement Bates stamped REL-SC0706 - 0726	109

JOSEPH A. SLATON,
the Witness herein, having been first duly sworn by Terri Fudens, a Notary Public of the State of New York, was examined and testified as follows:

* * *

EXAMINATION

BY MR. RUSH:

Q. Please state your name for the record.

A. Joseph A. Slaton.

Q. Where do you presently reside?

A. My address is P.O. Box 188, Normandy Beach, New Jersey, 08739.

Q. Good morning, Mr. Slaton. I introduced myself a few minutes ago. My name is Darren Rush with the law firm of Funk and Bolton in Philadelphia, and I represent Baptist Health Care and Palm Springs General Hospital in this matter.

Have you ever been deposed before?

A. Yes.

Q. How many times?

A. Once.

Q. I'm going to give you some basic ground rules. You may be familiar with them, but it would helpful, I think, if I give you the instructions before we begin.

The first instruction is if you don't understand my question, please ask me to rephrase it. If you answer my question, I'm going to assume that you understood my question and that your answer is responsive. I would also ask you to please allow me to finish my question completely before you begin to answer. It may be readily apparent where I'm going with my question, and the natural conversational reaction is to simply begin answering. If you could allow me to finish my question completely, that will help make the record more clear. I will do the same with you when you are providing your answers.

If at any point you want to take a break, you want to talk to counsel, please just interrupt and we will be happy to do that.

Could you start by telling me your educational background from post high school?

A. I have a Baccalaureate from C. W. Post College in Long Island, part of Long Island University, and that was obtained in 1968.

Q. What was the specialty or major?

A. Biology.

Q. Any formal education after graduating from C. W. Post?

A. No degrees.

Q. Do you hold any professional designations?

A. I am an associate in risk management. I am formerly a CSP, but I've let that expire.

Q. What is a CSP?

A. Certified safety professional. And I have been a licensed insurance broker in the State of New York, but I've let that expire as well.

Q. When did you obtain the ARM designation?

A. At least 10 years ago.

Q. When did you begin working in the insurance industry?

A. 1968.

Q. What was your first job in the industry?

A. I was a customer service representative in loss control with the Insurance Company of North America.

Q. Was that in New York?

A. Yes.

Q. Why don't you walk me through your employment history up to the current -- to the best you can recall dates, that's helpful, but we

recognize you've got a number of years here.

A. Yes. I was with the INA, which became Cigna, approximately 19 years and moved from risk control or loss control to underwriting while I was with INA and was the last medical professional liability manager for the INA PRO organization in New York, and that was an underwriting position, and I believe I left there in 1987.

After that I spent approximately a year with the Blue Cross/Blue Shield organization in Delaware. After that I began my time with Reliance Insurance Company, that's the subsidiary or group called Reliance National here in New York, and at that time I was hired to start up and run the medical professional liability operation.

I was with Reliance for approximately 10 years and left them, I believe, in '97 or '98, at which time I was employed by Gerling Global of the U.S.A., and that was -- Gerling Global Re of U.S.A., and that was a United States reinsurance company, and I spent three years with Gerling Global as an officer responsible for medical professional liability reinsurance.

After that in June of '02 I started with my current employer who is CNA Financial, and I

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lawyer. Keith Kaplan worked in the Ceded Reinsurance Division, to my recollection.
Q. Ralph Gilmartin was not in your unit though; right?
A. No.
Q. Did you have any in-house lawyers specifically in your unit?
A. I had at least one lawyer in my unit, but not performing as a lawyer.
Q. What about Tom Krauss?
A. Tom Krauss did not report to me, was not in my unit and served in an agency marketing role. I couldn't define it.
Q. What, if anything, did he do for your unit?
A. He got involved if we needed to get an agency appointed, and so he had a very limited involvement.
Q. Kathy Lee?
A. The name is familiar, but I don't recall what she did.
Q. Were there any other of the underwriters like Joe Daubert who other underwriters reported to?
A. Debbie Schwab had direct reports.

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Q. Was she an AVP also?
A. Yes. And another underwriter by the name of Maureen Maughan had direct reports.
Q. How do you spell her last name?
A. M-A-U-G-H-A-N.
Q. I'm going to turn now to the program that's at issue in the litigation.
One of the entities that was involved in setting up that program was Sullivan Kelly. Are you familiar with that organization?
A. Yes.
Q. When did you first have the occasion to do business with Sullivan Kelly?
A. I'm not sure of the year, but it would have been very early on in my time at Reliance, maybe the second year I was there.
Q. What was your introduction to Sullivan Kelly?
A. I'm not sure how we were introduced. I was always aware of them, and I had met Jim Kelly from time to time, but we wound up being on what was called the Sullivan Kelly line slip.
Q. What was the Sullivan Kelly line slip?
A. It was an excess portfolio of primarily hospitals, primarily, if not exclusively, in

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California where we took a portion of the risk with the majority of the risk in London.
Q. Was that written as insurance or reinsurance?
A. Good question. I believe it was written as insurance. I don't believe that we were reinsuring anyone else because it was a line slip, so I believe it was insurance.
Q. Who or what was Sullivan Kelly at that time?
A. Sullivan Kelly was an insurance brokerage operation that specialized in health care.
Q. How long or what were the years that Reliance participated on the Sullivan Kelly line slip?
A. I would say probably between the second and fourth year of me being at Reliance. I don't recall the actual years, but we participated for two years.
Q. What was the level of Reliance's participation in the line slip, if you recall?
A. I don't recall. I would guess in excess of 10 or 15 million dollars and perhaps 3 million or 2 million dollars of exposure.
Q. Could you say that again. I missed the

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last part.
A. Perhaps for a million or 2 million dollars of exposure.
Q. Was it the practice of your unit to reinsure that exposure during that time?
A. That exposure would have been retained net.
Q. Would you have written additional exposure which you would have then reinsured, or when you were talking about the 1 or 2 million exposure that you would take, was your entire participation in the line slip net?
A. We did not reinsure any part of the participation that we took, as you expressed it. It was a net retention.
Q. Was there any other business that you then wrote through or with Sullivan Kelly?
A. We may have done an occasional deal with Sullivan Kelly early on. There were things that fell outside of the parameters of the Farmers program and the London line slip, and I don't recall how many we did, but this is the early -- this is on or about when we were participating in the line slip.
Q. When you refer to the London line slip,

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that's the same as the Sullivan Kelly line slip?
A. Yes.
Q. What was the Farmers program?
A. Perhaps other people would be better at this, but the Farmers through Truck Insurance Exchange -- the Farmers managed the Truck Insurance Exchange and took the first half million dollars of loss above which Sullivan Kelly placed the London line slip for a limit, whatever limits the health care facility wanted that was within the slip. The slip I believe went to 50 million.
Q. During these years when Reliance is participating on the Sullivan Kelly line slip, Farmers is writing the initial 500,000 layer, and then above that the participants on the line slip are taking up to 50 million or thereabouts?
A. Yes.
Q. I think you said during that time there may have been specific transactions that Reliance was involved in other than the line slip?
A. Correct.
Q. Who were the individuals that Reliance worked with at Sullivan Kelly?
A. This is now many years ago, you understand.

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Q. Sure.
A. Certainly Jim Kelly, and he was the principal that was involved. Jerry Sullivan. The other principal was less involved, but from time to time we would meet with him and many others whose names escape me right now.
Q. Which of your underwriters had primary responsibility for the participation on the line slip?
A. Tracy Schultz O'Day, if I recall. She was the one that was handling it.
Q. What was the level of your involvement in those first couple of years, say, of the participation on the line slip?
A. I'm not sure what you mean by level of involvement.
Q. I think you described earlier that you had some level of hands-on involvement on most, if not all, of the business written through the unit. I'm trying to get an understanding of whether this line slip participation was a piece of business that you had significant personal responsibility for.
A. I would be involved in all of the major meetings, but I wouldn't have been involved in the accounting transactions.

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Q. How long had that line slip been in effect, if you know?
A. I believe two years.
Q. That line slip program, was that a program that was around for a long time before Reliance got involved?
A. Yes, many years.
Q. Had it always been run by or operated by Sullivan Kelly?
A. To my knowledge, yes.
Q. At some point Reliance's participation with Sullivan Kelly changed; correct?
A. Yes.
Q. When did that occur and how did that occur?
A. I'm not sure of the date, but we had a falling out over competition where we were competing with the line slip, and so we were asked not to continue to participate.
Q. Meaning Reliance was otherwise writing excess business in California and perhaps other states where the line slip was writing business?
A. Trying to, yes.
Q. Did Reliance have a California office, your unit?

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A. No. My underwriters were all in New York.
Q. How were your underwriters assigned; did they have geographical areas that they covered or types of business?
A. Actually both ways and we changed it from time to time.
Q. Do you recall when that was that you were asked to terminate your participation on the line slip?
A. Well, it would have been prior to the end of the second year.
Q. You did, in fact, terminate your participation on the line slip?
A. Yes.
Q. Then what business did you do with Sullivan Kelly after that?
A. After that we continued trying to do business, we maintained a relationship, and eventually we did some fronts for them in Texas, and then we did the program that's at matter with the SCPIE issue.
Q. What were the fronts that were written in Texas?
A. I don't recall the names of hospitals,