STATE OF NEW HAMPSHIRE DEPARTMENT OF STATE

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BUREAU OF SECURITIES REGULATION PROPOSED STRUCTURING CONFERENCE ORDER

NOW COMES Petitioner, the Bureau of Securities Regulation, a part of the Corporations Division within the Department of State, and, pursuant to the Order of the Hearings Officer of September 15, 2011, submits the following in response to the currently proposed structuring conference order from counsel for the corporate and company respondents and Maura Carroll.

The Petitioner gives notice that joining counsel for the Petitioner shall be Adrian S. LaRochelle, Esq., Staff Attorney, Bureau of Securities Regulation.

As to the proposed dates, it would be our preference that the matter proceed expeditiously, for the reasons set forth below.

As to the current submission before you, to the extent that the opening paragraphs of counsel representing each and all of the corporate and company respondents as well as Maura Carroll requires a response, Petitioner presumes that all discovery in this matter will be conducted in a fair and open manner. Consistent with this procedure, said counsel have been provided with a subpoena for the production of times of availability for the Petitioner's Forensic Accountant to review the financial information of said Respondents, as well as the production of documents bearing on the now-admitted faulty merger of the Respondents HealthTrust, Inc. and New Hampshire Municipal Association Property-Liability Trust, Inc. with Delaware Limited Liability Companies (LLCs), and then with New Hampshire LLCs. The former issue was discussed at length at a meeting with LGC, Inc. personnel (with corporate counsel present) on September 1, 2011. After this meeting, counsel for said Respondents required the subpoena; response as simple as a telephone call with proposed dates and times could have occurred without the necessity of a structuring conference and would have assisted in the orderly process of discovery without unneeded complexity. An answer is due October 5, 2011. Should no answer, or an incomplete answer, be provided, this office notes the continuing rights allowable under RSA 5-B:4-a for the recovery of costs associated with this litigation.

As to the scheduling deadlines proposed by counsel, please note our objection. It is our intention to proceed as expeditiously as logic would dictate. Yet it makes no sense to end the ability of the Petitioner to amend the Petition or join what may turn out to be necessary additional parties nearly six (6) months prior to the end of discovery.

Further, as to the proposed limitations on interrogatories, requests for production, and depositions, given the scope of this litigation, it makes little sense to subject information gathering to such artificial limits.

The Petitioner notes in closing that the Hearings Officer's Order of September 15, 2011 required good faith effort in compliance with his requests for, inter alia, areas of consolidation, consent and factual stipulation. Although the Petitioner understands that counsel for other represented parties, entering the case as late as they have, may not have had a chance to review

the issues, for counsel for the said Respondents these issues certainly are not new. Thus it is puzzling that such counsel should propose a "Joint Statement of Stipulated Facts" to be presented "[t]en days before final pretrial conference," in a <u>year</u>. Petitioner submits this fails to follow the Hearings Officer's Order.

Respectfully submitted,

October 4, 2011

Earle F. Wingate, III, Esq.

N.H. Bureau of Securities Regulation