

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

SHARITY MINISTRIES, INC.,<sup>1</sup>

Debtor.

Chapter 11 (Subchapter V)

Case No.: 21-11001 (JTD)

Ref. No. 68

**DEBTOR'S RESPONSE IN OPPOSITION TO THE UNITED STATES TRUSTEE'S  
MOTION TO REMOVE THE DEBTOR IN POSSESSION PURSUANT TO  
11 U.S.C. § 1185, OR ALTERNATIVELY, MOTION TO AUTHORIZE  
THE SUBCHAPTER V TRUSTEE TO INVESTIGATE THE DEBTOR'S  
FINANCIAL AFFAIRS PURSUANT TO 11 U.S.C. § 1183**

The above-captioned debtor and debtor-in-possession, Sharity Ministries, Inc. ("Sharity" or the "Debtor"), files this response in opposition ("Response") to the *United States Trustee's Motion to Remove the Debtor in Possession Pursuant to 11 U.S.C. § 1185, or Alternatively, Motion to Authorize the Subchapter V Trustee to Investigate the Debtor's Financial Affairs Pursuant to 11 U.S.C. § 1183* [D.I. 68] (the "Motion"). In support of this Response, the Debtor submits the Declaration of Neil F. Luria (the "Luria Declaration") attached hereto as **Exhibit A**.<sup>2</sup> In further support of this Response, the Debtor incorporates by reference the *Declaration of Neil F. Luria in Support of Chapter 11 Petition and First Day Motions* [D.I. 5], and respectfully states as follows:

**INTRODUCTION**

1. For more than a year before the filing of this bankruptcy case, Sharity worked towards operating independently from Alieria Healthcare Inc. and its affiliated companies (collectively, "Alieria"). Among other things, prior to the petition date, Sharity identified and

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<sup>1</sup> The last four digits of the Debtor's federal tax identification number is 0344. The Debtor's mailing address is 821 Atlanta Street, Suite 124, Roswell, GA 30075.

<sup>2</sup> The Debtor intends to call Mr. Luria as a witness at the hearing on the Motion.

diligently negotiated agreements with independent third-party service providers to deliver administrative, technological, and other specialized services to Sharity on more favorable commercial terms than its contracts with Alieria and stopped making payments to Alieria.

2. Sharity filed this chapter 11 case with the express goal of using its authority under section 365 of the Bankruptcy Code<sup>3</sup> to reject executory contracts with Alieria and transition to the new third-party vendors. The Debtor understood this would be a difficult task. Alieria had originally been responsible for establishing the Debtor and the Debtor previously operated under a single vendor agreement with Alieria. However, the Debtor believed the only way it could continue to serve its members was to right-size its cost structure and remove the negative impact on Sharity's charitable mission caused by its continued association with Alieria. This process was undertaken for the benefit of the Debtor's members in furtherance of the Debtor's charitable mission.

3. Post-petition, the Debtor encountered several practical and technical issues disentangling its operations from Alieria. Among other issues, Alieria took the position that it owned certain data and information that was critical to the Debtor's continued operations. It became clear that the Debtor would be unable to process or facilitate the payment of member share requests for approximately four to six weeks post-petition, and potentially significantly longer and only after ongoing disputes with Alieria were resolved.

4. Faced with an uncertain timeline on its ability to facilitate member-to-member sharing, potential litigation against Alieria, and the upcoming extended August 15, 2021 deadline for individuals to obtain insurance under the Affordable Care Act, the Debtor's board – which is controlled by independent directors – determined that it was in the best interest of the Debtor's

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<sup>3</sup> All references to the "Bankruptcy Code" refer to 11 U.S.C. § 101 *et seq.*

estate and its members to cease operations and conduct an orderly wind-down. This decision was based on the Debtor's sound and conservative business judgment that continuing to accept sharing contributions would come with further risk to members given the possibility of significant delay and cost. Notice of the Debtor's decision was immediately given to the United States Trustee and the Subchapter V Trustee, sent to all members, and posted on the Debtor's public website. The Debtor also requested a status conference to advise the Court of the Debtor's decision.

5. Thereafter, the Debtor continued to take sensible steps in managing its affairs. For example, the Debtor immediately worked to shut off its ACH and credit card payments to ensure it did not receive additional payments from members and has segregated funds it received post-petition from members. The Debtor is continuing to work with its vendors to analyze and process share requests to ensure medical charges are adjudicated or re-priced to benefit members.

6. Additionally, the Debtor is working to obtain all necessary member sharing information from Alieria. These efforts include, but are not limited to, the *Debtor's Subpoena to Produce Documents, Information or Objects or to Permit Inspection of Premises in a Bankruptcy Case* [D.I. 76] (the "Alieria Subpoena"), a copy of which is attached hereto as **Exhibit B**.

7. Approximately two weeks into the case, on July 22, 2021, the U.S. Trustee filed the Motion seeking the extraordinary remedy of displacing the debtor in possession based on unsubstantiated allegations of gross mismanagement or incompetence. In addition to suffering from a glaring lack of evidence, the Motion fundamentally misunderstands the Debtor's business model, historical operations, and governance. For example, the Motion complains of the Debtor's alleged failure to pay members' medical expenses, but in the same breath acknowledges that the Debtor's business only involves facilitating payment of eligible medical expenses by

other members, not payment by the Debtor. *See* Motion at p. 2. Similarly, the Motion takes issue with language in the engagement letter for the Debtor's Chief Restructuring Officer that provides the CRO will not analyze individual sharing requests (a service historically provided by the Debtor's third-party service providers with expertise in doing so) without identifying why it would be beneficial for the CRO to assume the role (in fact, it would not be beneficial). None of these perceived deficiencies constitute cause for appointment of a trustee or require investigation and cannot be resolved by removing the Debtor.

8. As support for the Motion, the U.S. Trustee predominantly relies on the allegations of misconduct made by various state regulatory authorities that broadly accuse the Debtor of prepetition wrongdoing due to its association with Alieria. For the avoidance of doubt, no current director, officer, or employee of Sharity has any connection to Alieria. And contested allegations of wrongdoing mainly aimed at a third-party (i.e. Alieria) are insufficient to survive the clear and convincing burden of proof required for the appointment of a trustee.

9. In short, the Motion fails to demonstrate cause to displace the Debtor's management and appoint a trustee who lacks any knowledge or understanding of the Debtor's operations or charitable mission, and fails to consider the immense cost that a trustee or examiner would impose on the bankruptcy estate. For the reasons set forth herein, the Motion should be denied.

## **BACKGROUND**

### **I. Sharity's Charitable Mission and Governance**

10. Sharity is a relatively small, section 501(c)(3) faith-based nonprofit corporation that operates a Health Care Sharing Ministry, a health care cost sharing arrangement among persons of similar and sincerely held religious beliefs.

11. Sharity is governed by a board of directors, currently consisting of the following people: J. Christopher Sizemore (Chairman), Stephen Vault, Joseph Handy, and A. Joseph Guarino III. Mr. Sizemore, who joined the Debtor's board in October 2019, and Messrs. Vault and Handy, who joined the board in January 2020, are independent directors. Each has significant experience working with nonprofit organizations and serving on nonprofit boards of directors. The Debtors' CEO, William "Rip" Thead, resigned on July 23, 2021. No current director, officer, or employee of Sharity has any connection to Aliera.

12. The Debtor's interim management team currently includes Neil Luria as Chief Restructuring Officer ("CRO"), Raoul Nowitz as Assistant Chief Restructuring Officer, and Kevin Tavakoli as Director of Finance (together with the CRO, the "Interim Officers"), all of SOLIC Capital Advisors ("SOLIC"). As set forth in the *Debtor's Application for Entry of an Order Approving Agreement with SOLIC Capital Advisors, LLC to Provide the Services of (I) Neil L. Luria as Chief Restructuring Officer, (II) Certain Other Interim Officers, and (III) Certain Support Personnel, Nunc Pro Tunc to the Petition Date* [D.I. 15] (the "Solic Application"), the Interim Officers have extensive experience in providing restructuring and financial advisory services for companies in and out of the chapter 11 context. In particular, the CRO has significant knowledge and experience related to the oversight and implementation of complex wind-downs.

13. Sharity has historically operated with only a few employees, each focusing on aspects of the ministry's day-to-day operations. Currently, in addition to the Interim Management, the Debtor has two employees: its President and one part-time employee. The Debtor also employs one independent contractor who essentially functions as the Debtor's controller.

## **II. Sharity's Historical Operations and Business Model**

14. Sharity historically offered various health sharing programs to its members that are designed to facilitate member-to-member sharing by matching members' sharing requests for eligible medical expenses with other members' voluntary contributions to the programs. Essentially, Sharity acted as an organizational clearinghouse for its members to share medical expenses between one another. An example Member Guide for one of Sharity's programs is attached hereto as Exhibit C.

15. From its inception, Sharity's charitable business model relied on outside firms with specialized expertise to provide various management and administrative services necessary to support its health sharing program. Sharity was previously party to a single contract with Alieria to provide those services. Effective January 1, 2020, Sharity was a party to a series of vendor agreements with Alieria, each with an initial 5-year term. Under the agreements, Alieria provided the following types of services: (i) administrative services, (ii) information technology related services, (iii) marketing and brand development services, (iv) sales services, and (v) ancillary services such as customer, accounting, regulatory, and compliance services (collectively, the "Alieria Contracts").

16. Sharity's health sharing programs feature various participation levels, affording members different levels of sharing eligibility based on different levels of voluntary contributions the member may choose to make. Regardless of the participation level, member-to-member sharing for the programs was historically facilitated through technology known as the ShareBox. The ShareBox technology, which was developed and historically administered by Alieria, applies a matching algorithm, whereby sharing requests for eligible medical expenses that members submit are matched with other members' voluntary contributions to Sharity's

programs. The money that is used to pay for members' eligible medical expenses after a sharing request is made comes exclusively from voluntary contributions of other members themselves.

17. Sharity historically maintained a ShareBox account into which a member's contributions are deposited to await being matched with eligible medical expenses that other members submit. The ShareBox account is the account out of which members' medical expenses are shared. If a sharing request is for an eligible service and there are sufficient members' contributions to meet that expense, funds are transmitted from the ShareBox account to the medical provider. Upon joining any Sharity's health sharing programs, members consent to having their contributions shared in this manner.

18. Only the proceeds of members' contributions are deposited into the ShareBox account. Members each sign a disclaimer expressly acknowledging that Sharity does not promise to pay any portion of the members' medical expenses. Each member is given access to a ShareBox portal, an application that allows members to view how the member's voluntary contributions have been shared and, if the member has medical expenses that are eligible for sharing, how other members are contributing to meet that expense. The ShareBox portal notifies members of sharing requests that have been submitted and allows individual members to opt out of sharing their contributions in response to any specific sharing request.

19. Sharity's goal is to facilitate as much sharing of the members' medical expenses as possible. Guidelines concerning the eligibility of certain designated medical expenses for sharing are maintained for each program, however, to ensure financial viability and program functionality. And if a member has an alternative form of insurance, sharing is only available for expenses that the member's insurance does not cover.

20. Members are responsible for paying a percentage of any incurred medical

expense, referred to as the Member Shared Responsibility Amount (“MSRA”), before that expense maybe submitted to other members for sharing. Members choose the MSRA amount at the time they join. How each member’s MSRA is applied to eligible sharing requests depends on the terms of the program. Furthermore, many of the member’s medical expenses are “repriced” to agreed-upon contracted amounts by participating service providers.

21. There is no agreement between Sharity and any member pursuant to which Sharity agrees to pay a member’s medical expenses. The member guides for Sharity’s programs state that Sharity does not assume any risk for medical expenses and makes no promise to pay.

22. Sharity itself would not pay for any medical expenses if eligible expenses exceeded the aggregate members’ contributions available for sharing (i.e., available after paying Sharity’s expenses). Sharity does not maintain reserve funds to pay a member’s medical expenses if member contributions available for sharing were insufficient to meet sharing requests. Sharity does not have reinsurance. Sharity does not use actuaries for forecasting. Sharity does not engage in any underwriting. Sharity does not arrange for members to see certain medical providers. Members choose which medical providers they see and make their own appointments. Sharity does not provide members with medical services or deliver medical services to members.

23. Members have the right to cancel their participation in Sharity’s sharing programs at any time. If a member ceases to make monthly contributions for a period of forty-five days, the member loses eligibility to participate in the applicable sharing program.

### **III. Events During the Chapter 11 Case**

24. On July 8, 2021 (“Petition Date”), Sharity filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code and elected to proceed under subchapter V.

25. Sharity is authorized to continue to operate its business and manage its properties



as a debtor in possession pursuant to 11 U.S.C. § 1184.

26. On July 9, 2021, the Office of the United States Trustee for Region 3 appointed Holly S. Miller, Esq., as the Subchapter V Trustee.

27. On the Petition Date, Sharity filed several motions, including the *Debtor's Motion for Entry of an Order (I) Authorizing the Debtor to Reject Certain Executory Contracts Nunc Pro Tunc to the Petition Date or Later Specified Rejection Date; and (II) Granting Certain Related Relief* [D.I. 13] (the "Rejection Motion"), seeking to reject the Alera Contracts and transition to new service providers unaffiliated with Alera. As explained in the Rejection Motion, USA Benefits & Administrators, LLC ("USA Benefits"), one of the counterparties to the Debtor's five Alera Contracts, is in possession of various electronically stored information critical to Sharity's operations, including certain membership and membership payment information. Rejection Motion at pp. 4–5.

28. Sharity also filed the *Small Business Debtor's Plan of Reorganization* [D.I. 14] (the "Plan"). The Plan contemplated the Debtor's reorganization and continued operation, but also provided that if the Debtor's board of directors deemed it to be in the best interests of members, the Debtor could cease operations and elect to liquidate. *See id.* at p. 15. The Debtor also stated that the Plan did not treat members that have submitted share requests as creditors because, as set forth above, Sharity does not promise or agree to pay a member's medical expenses. *Id.* at p. 16. In essence, the Plan proposed to allow the members sharing requests to be treated as a "pass through" that would not be discharged – without prejudice to allowing members to file a proof of claim for any amounts they deemed appropriate. The Plan proposed to continue to pay pre and post-petition share requests in the ordinary course of business (to the

extent funds were available) and that such share requests would remain unaffected by confirmation. *Id.*

29. Since the Petition Date, the Debtor, with the assistance of its professionals, has been working to obtain its member sharing information from Alieria. The Debtor has also engaged in pre and postpetition discussions with Alieria to try and negotiate turnover and cooperation of the Debtor's electronically stored information and such information that Alieria claims to own relating to the Debtor's business.

30. As stated on the record of the status conference held on July 22, 2021, the Debtor's board recently made the decision to cease operations. The board made this decision based on its belief that it would be in the best interests of the members. To that end, the Debtor is currently working on providing members with information related to alternative health care sharing options, information with respect to registered for coverage under the Affordable Care Act, addressing member contributions made after the Petition Date, and addressing the repricing of claims associated with outstanding share requests. The Debtor has provided notice of its decision to cease operating to its members, including by publishing such notice on its website.<sup>4</sup>

## **RESPONSE**

### **I. Legal Standard**

31. Section 1185 of the Bankruptcy Code authorizes the Court to remove a debtor as debtor in possession for "cause."<sup>5</sup> The party moving for the appointment of trustee, here the U.S. Trustee, bears the burden of establishing cause by clear and convincing evidence. *Official Comm.*

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<sup>4</sup> See <https://sharityministries.org/>.

<sup>5</sup> Both the U.S. Trustee and the Debtor agree that the case law interpreting the similar provisions of section 1104 in the chapter 11 context may be considered to determine whether "cause" for removal exists due to the lack of controlling authority interpreting "cause" under section 1185(a) and the similarity of language between the two sections. See Motion at ¶ 26.

of *Asbestos Claimants v. G-I Holdings, Inc. (In re G-I Holdings, Inc.)*, 385 F.3d 313, 320 (3d Cir. 2004). In the Motion, the U.S. Trustee argues that “cause” exists in this case based on conclusory allegations that “the Debtor has grossly, or at least incompetently, mismanaged the Debtor’s affairs both pre and post-petition” and the Debtor has shown a “lack of care, attention and obligation to its most important constituency: the Members.” Motion at 11, ¶ 29. For the reasons explained more fully below, the Court should reject these conclusory arguments and deny the Motion.

32. As an initial matter, the removal of a debtor in possession is an extraordinary remedy. *U.S. Bank Nat’l Ass’n v. Wilmington Tr. Co. (In re Spansion, Inc.)*, 426 B.R. 114, 128 (Bankr. D. Del. 2010). It “should be the exception, rather than the rule.” *In re Marvel Entm’t Grp.*, 140 F.3d 463, 471 (3d Cir. 1998). In fact, a strong presumption exists in favor of a debtor-in-possession’s continued control and management of its estate. *Id.* The presumption arises from its status as a fiduciary and the belief that the debtor and current management are best suited to conduct the debtor’s operations during the reorganization. *Id.* Moreover, replacing the debtor’s management with a trustee “creates immense costs” for the estate: “First, there is a statutory fee (which can be substantial) to which trustees are entitled for their services. . . . More important, however, is the cost implicit in replacing current management with a team that is less familiar with the debtor specifically and its market generally.” *Official Comm. of Unsecured Creditors of Cybergenics Corp. ex rel. Cybergenics Corp. v. Chinery*, 330 F.3d 548, 577 (3d Cir. 2003). Although a finding of cause mandates appointment of a trustee, the determination of whether cause exists in the first instance is left to the court’s discretion. *See In re Sharon Steel Corp.*, 781 F.2d 1217, 1226 (3d Cir. 1989).

33. Neither mere mismanagement nor a lack of confidence in a debtor's existing management based on the debtor's operating history and capital structure rise to the level of gross mismanagement for the purpose of appointing a trustee. *See In re Sletteland*, 260 B.R. 657, 672 (Bankr. S.D.N.Y. 2001); *In re Five Rivers Petroleum, LLC*, 2013 WL 656026, at \*7 (Bankr. W.D. Pa. Feb. 22, 2013); *cf. Woodlawn Cmty. Dev. Corp. v. Official Comm. of Unsecured Creditors (In re Woodlawn Cmty. Dev. Corp.)*, 613 B.R. 671, 684 (N.D. Ill. 2020) (finding "gross mismanagement" where the debtor failed to pay taxes, failed to collect rent for seven years, and violated the court's cash collateral order by paying a consultant fee).

34. Incompetence requires a showing of a lack of business acumen and ability. *See In re Mako, Inc.*, 102 B.R. 809, 812 (Bankr. E.D. Okla. 1988). Though there is no uniform standard on what constitutes "incompetence" for the purpose of section 1104(a)(1), courts have found a debtor to be incompetent where a debtor's management or board lacked relevant experience for the position, *Matter of Warwick Park, Inc.*, 100 B.R. 179, 180 (Bankr. D. Del. 1989), where management lacked financial sophistication and did not appreciate the need for additional expertise, *In re Colorado-Ute Elec. Ass'n, Inc.*, 120 B.R. 164, 175 (Bankr. D. Colo. 1990), where management failed to maintain a general ledger and update its financial books and records, *In re U.S. Commc'ns of Westchester, Inc.*, 123 B.R. 491, 495 (Bankr. S.D.N.Y. 1991), or where management was "unwilling or incapable" of fulfilling its fiduciary duties, *In re Celeritas Techs., LLC*, 446 B.R. 514, 520 (Bankr. D. Kan. 2011).

## **II. The U.S. Trustee Has Failed to Demonstrate Cause for the Extraordinary Remedy of Removing Sharity as a Debtor In Possession**

35. In this case, the U.S Trustee argues that the debtor is incompetent or has grossly mismanaged its business for the following reasons: (i) various states have filed prepetition lawsuits against Alera and Sharity containing allegations of prepetition wrongdoing; (ii)

Sharity's contract terms with Alera are unfavorable; (iii) SOLIC was not involved in identifying the new third party service providers or investigating Alera and the backlog of share requests; and (iv) the Debtor's decision not to treat members as creditors in connection with their share requests is per se improper and evidence of malice towards its members. *See* Motion at pp. 10-11.

36. None of these grounds even resemble the "incompetence" or "gross mismanagement" that would justify the extraordinary remedy of removing the debtor. Under the Debtor's business model, the Debtor historically outsourced the administrative and technical aspects of its health sharing programs. Prior to the Petition date, the Debtor commenced a process to transition away from Alera to third-party service providers with the same expertise on more favorable contract terms. This planned transition was specifically designed to enhance the Debtor's programs and increase the percentage of dollars shared by members, all to the direct benefit of the Debtor's members. The Debtor filed this chapter 11 case for the explicit purpose of using the powers of the Bankruptcy Code to help separate itself from Alera and obtain the critical business information it needed. The Motion complains that the Debtor does not currently have all such information – but that is one of the very issues the Debtor is trying to remedy by filing this case. Notably, the Motion fails to identify any action the Debtor's should be taking to obtain the information that is not already in process. Nor does the Motion allege that appointment of a trustee would do anything but delay the process to obtain the information.

37. The Motion does not challenge SOLIC's, the board's, or current management's acumen or sophistication to manage Sharity's affairs. Instead, the U.S. Trustee quibbles over the scope of services SOLIC agreed to provide to the Debtor in its engagement letter. Once again, the Motion ignores that the Debtor historically outsourced processing and payment of share

requests to third-party service providers with the requisite technical expertise. SOLIC is playing an appropriate role in assisting the Debtor in obtaining necessary share request review and obtaining necessary information from Alieria. SOLIC is not reviewing individual share requests and it would be inefficient for SOLIC to do so.

38. Additionally, the Motion ignores the board's and current management's independence from Alieria. No current director, officer, or employee of the Debtor has any connection to Alieria and any perceived taint by association with former management no longer exists.<sup>6</sup> The independent directors appointed a chief restructuring officers to ensure an experience bankruptcy professional would maintain control over its cash and operations. Rather than attempt to explain how the Debtor's management has acted incompetently or how appointment of a trustee or examiner would be in the best interest of the members, the Motion simply parrots allegations made by states who have sued both Alieria and Sharity without distinguishing between the two. *See* Motion at p. 17 (stating that "Alieria and/or Sharity" are implicated in various regulatory lawsuits and proceedings). However, "mere allegations, which are contested, that a debtor or its management have engaged in fraud, dishonesty, or other similar conduct are not sufficient to warrant appointment of a trustee." *In re Bergeron*, No. 13-02912-8-SWH, 2013 WL 5874571, at \*7 (Bankr. E.D.N.C. Oct. 31, 2013) (collecting cases).

39. Perhaps most significantly, the argument that the Debtor is not considering the interests of its members is simply inaccurate and unsupported by evidence. *See* Motion at p. 11. As set forth above, the Debtor's post-petition decision to pursue an orderly winddown was in the best interest of members because the Debtor faced significant uncertainty about when it could

resume processing and facilitating payment of share requests. Thereafter, the Debtor took reasonable and appropriate steps to provide notice to all constituents in this case and transition to an orderly winddown. Fundamentally, the U.S. Trustee takes issue with the exercise of the Debtor's reasonable business judgment, which is not a proper basis for the appointment of a trustee absent a showing that the Debtor has grossly or incompetently mismanaged its business. *See, e.g., In re W. Va. High Tech. Consortium Found.*, No. 16-bk-806, 2017 Bankr. LEXIS 1098, at \*13 (Bankr. N.D.W. Va. Apr. 21, 2017) (rejecting arguments that the debtors, not for profit entities, had grossly mismanaged their businesses for acts that were taken in the exercise of the debtors' reasonable business judgment); *In re LHC, LLC*, 497 B.R. 281, 304 (Bankr. N.D. Ill. 2013) (finding that significant pre-petition capital expenditures were supported by the Debtor's reasonable business judgment and did not constitute gross mismanagement requiring the appointment of a trustee).

40. The Motion also asserts that the Debtor demonstrated malice or indifference to the members because the Debtor does not believe member share requests are claims against the Debtor. That is incorrect. As explained herein, the members participate voluntarily in Sharity's health sharing programs by submitting monthly charitable contributions to assist other members with their medical expenses. The money used to pay for members' medical expenses comes exclusively from other members' voluntary charitable contributions. Upon joining any of Sharity's health sharing programs, members consent to having their contributions shared in this manner. Sharity does not agree to directly pay member medical expenses and Sharity does not maintain a reserve of funds to pay any member's medical expenses if contributions are

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<sup>6</sup> Although the action had been pending since 2019, Mr. Thead was not named as a defendant in the State of Texas's complaint until 2021. To the Debtor's knowledge, Mr. Thead has not been named as a defendant in other state's regulatory actions. Although Mr. Thead and the Debtor dispute allegations made against them, Mr. Thead resigned

insufficient to meet sharing requests. The Plan contemplated the continued existence of the sharing requests post-confirmation. In other words, the Plan would not have discharged pre-petition sharing requests, and they could have continued being satisfied post-confirmation. Similarly, the Plan expressly provided that members were free to file claims against the Debtor for any reason. The argument that this Plan treatment was a way to harm or trick the members is simply inaccurate.

41. The Motion suffers from an additional critical flaw: it fails to explain how a trustee would be in a better position or take different steps to address any of the issues the Motion complains about. The Motion ignores the Debtor's hiring of a chief restructuring officer with significant experience in healthcare restructurings, many of which have included significant amount of revenue cycle related issues. Furthermore, the CRO has been involved in several complex wind-downs which have required the reconciliation of large-scale consumer claims. For example, in the Taylor Bean & Whitaker Mortgage corporation bankruptcy, which was an orderly liquidation in chapter 11, Mr. Luria oversaw the reconciliation of loan payments related to 512,000 separate residential mortgages on a loan level basis and an investigation of claims against third parties which resulted in significant recoveries to stakeholders. In addition, Mr. Luria has served as Chief Executive Officer and Chief Wind-down Officer of SMHA Healthcare, Inc. which is the out-of-court liquidating entity resulting from the sale of Memorial University Medical Center in Savannah, Georgia. There, Mr. Luria oversaw the collection of tens of millions of healthcare receivables, which were handled by an outside third-party administrator.

42. In a conclusory fashion, the Motion argues that a trustee's appointment is necessary to protect the Debtor's members but offers no reason a trustee that lacks familiarity

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from the board after the filing of the Motion to avoid any appearance of impropriety or connection to Aliera.



with the debtor and its business would act differently or the cost that such an appointment would entail in a case involving a charitable organization with limited resources. *See G-I Holdings, Inc.*, 385 F.3d at 320-21 (Whether the debtor in possession has special expertise and whether the appointment of a trustee would entail substantial costs are relevant factors to be considered in determining whether this burden has been met in a particular case). Currently, the Debtor and its professionals are working on a plan to address outstanding share requests and investigate Alieria's possible non-payment of share requests. Neither of these steps require the appointment of a trustee.

43. In sum, the U.S. Trustee has not carried its burden of showing by clear and convincing evidence that cause exists for the removal of the Debtor as debtor in possession on any grounds, particularly incompetence or gross mismanagement. Therefore, the Debtor respectfully submits that the Motion should be denied.

### **III. Expanding the Subchapter V Trustee's To Investigate the Debtor and Its Affairs Is Not Warranted**

44. In the alternative, the Motion seeks to expand the Subchapter V Trustee's duties under section 1183(b)(2) of the Bankruptcy Code to include duties typical of an examiner, so that she may conduct an investigation of the Debtor and its relationship with the members and file a report of her findings. *See* Motion at pp. 12-13. As grounds for this expansion, the Motion relies on the same grounds of alleged incompetence and mismanagement. For the same reasons stated above, this request should be denied.

45. Furthermore, the Debtor and its professionals are currently investigating Alieria's possible non-payment of share requests and related, potential causes of action. To that end, the Debtor served the Alieria Subpoena requesting comprehensive information from Alieria, including documents concerning member sharing requests, the analysis conducted by Alieria to determine a

member's eligibility for sharing, the payment of sharing requests, and contributions received or transferred by Alieria. As explained above, the Debtor outsourced the processing of sharing requests to Alieria, in addition to other administrative, technological, and specialized services. Therefore, expanding the scope of the Subchapter V Trustee's duties to include an investigation of the members' relationship to the Debtor based on a service the Debtor did not provide would not be of any benefit to the members.<sup>7</sup> Because the Debtor's investigation of Alieria has already begun in earnest, an investigation by the Subchapter V Trustee of the same subject matter would be duplicative, inefficient and costly to the estate.

46. Like with a trustee, an appointment for an examinership based on “[m]ere allegations of fraud, dishonesty, incompetence, misconduct, mismanagement or irregularity in the management of the affairs of the debtor of or by current or former management, are insufficient to justify the appointment of an examiner under section 1104(c). Such allegations of misconduct must be supported by facts.” *In re Dewey & Leboeuf LLP*, 478 B.R. 627, 640 (Bankr. S.D.N.Y. 2012). So too here. The Motion does not rely on any facts, only allegations of misconduct against Alieria and Sharity lodged by the states in their prepetition lawsuits. For this additional reason, the U.S. Trustee has not carried its burden for expansion of the Subchapter V Trustee's duties. Moreover, the core of these allegations is based on the state's view, under applicable state law, that Sharity is really an unregistered insurance company. The states are more than capable than representing themselves and pursuing these matters on their own behalf.

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<sup>7</sup> The Motion states that an investigation would be “important to Sharity's eligibility for Subchapter V status.” Motion at p. 13. As explained above, because members lack a right to payment from the Debtor for sharing requests, the members are not creditors of the Debtor in connection with those requests. Therefore, sharing requests that remain unsatisfied on the Petition Date do not affect the Debtor's eligibility for Subchapter V. Even if an investigation by the Subchapter V Trustee's determines otherwise, the members' sharing requests are neither liquidated nor noncontingent debts that would affect the Debtor's eligibility for Subchapter V. *See* 11 U.S.C. § 1182(1). (only “noncontingent liquidated secured and unsecured debts” considered for eligibility).

The Debtor 's professionals have had discussions with the participating states and anticipate cooperating with the states as well.

47. The Debtor has and will continue to keep the Subchapter V Trustee fully informed in this case. The Debtor plans to provide the Trustee with information regarding all developments in the case on a real-time basis and is willing to provide her with access to all non-privileged information.

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**CONCLUSION**

WHEREFORE, the Debtor respectfully requests that this Court deny the Motion.

Dated: July 29, 2021  
Wilmington, Delaware

**LANDIS RATH & COBB LLP**

/s/ Matthew B. McGuire

Adam G. Landis (No. 3407)  
Matthew B. McGuire (No. 4366)  
Nicolas E. Jenner (No. 6554)  
919 Market Street, Suite 1800  
Wilmington, Delaware 19801  
Telephone: (302) 467-4400  
Facsimile: (302) 467-4450  
Email: landis@lrclaw.com  
mcguire@lrclaw.com  
jenner@lrclaw.com

- and -

**BAKER & HOSTETLER LLP**

Jorian L. Rose (admitted *pro hac vice*)  
Jason I. Blanchard (admitted *pro hac vice*)  
Elyssa S. Kates (admitted *pro hac vice*)  
45 Rockefeller Plaza  
New York, New York 10111  
Telephone: (212) 589-4200  
Facsimile: (212) 589-4201  
Email: jrose@bakerlaw.com  
jblanchard@bakerlaw.com  
ekates@bakerlaw.com

Andrew V. Layden (admitted *pro hac vice*)  
SunTrust Center, Suite 2300  
200 South Orange Avenue  
Orlando, FL 32801-3432  
Telephone: (407) 649-4000  
Facsimile: (407) 841-0168  
Email: alayden@bakerlaw.com

*Proposed Counsel for the Debtor and Debtor in Possession*

**EXHIBIT A**

**Luria Declaration**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

SHARITY MINISTRIES, INC.,<sup>1</sup>

Debtor.

Chapter 11 (Subchapter V)

Case No.: 21-11001 (JTD)

**DECLARATION OF NEIL F. LAURIA IN SUPPORT  
OF THE DEBTOR'S RESPONSE IN OPPOSITION TO THE UNITED STATES  
TRUSTEE'S MOTION TO REMOVE THE DEBTOR IN POSSESSION PURSUANT TO  
11 U.S.C. § 1185, OR ALTERNATIVELY, MOTION TO AUTHORIZE THE  
SUBCHAPTER V TRUSTEE TO INVESTIGATE THE DEBTOR'S FINANCIAL  
AFFAIRS PURSUANT TO 11 U.S.C. § 1183**

I, NEIL F. LURIA, under penalty of perjury, declare as follows:

1. I am the President of SOLIC Capital Advisors, LLC ("SOLIC") and the Head of its Restructuring and Distressed Asset Support Services divisions. SOLIC is a professional services firm engaged in the business of providing financial advisory and distressed asset management services, with offices located at 425 West New England Avenue, Suite 300, Winter Park, Florida 32789. Except as otherwise noted, I have personal knowledge of the matters set forth herein, and if called and sworn as a witness, I could and would testify competently thereto.

2. This Declaration is submitted in support of the *Debtor's Opposition in Response to the United States Trustee's Motion to Remove the Debtor in Possession Pursuant to 11 U.S.C. § 1185, or Alternatively, Motion to Authorize the Subchapter V Trustee to Investigate the Debtor's Financial Affairs Pursuant to 11 U.S.C. § 1183* filed

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<sup>1</sup> The last four digits of the Debtor's federal tax identification number is 0344. The Debtor's mailing address is 821 Atlanta Street, Suite 124, Roswell, GA 30075.

contemporaneously herewith (the “Response”).<sup>2</sup>

3. I have extensive experience in providing restructuring and financial advisory services for companies in financially distressed situations both in and out of chapter 11 and in various industries, including the healthcare industry. I also have significant knowledge and experience related to the oversight and implementation of complex wind-downs. Among other fiduciary roles, I have served as the Chief Executive Officer and Chief Wind-down Officer of SMHA Healthcare and the Chief Restructuring Officer and Liquidating Trustee of Taylor, Bean & Whitaker Mortgage Corp.

4. In April 2021, the Debtor engaged SOLIC as its restructuring advisor. From that time forward, SOLIC has been assisting the Debtor with respect to reviewing and assessing various financial elements of Sharity’s operations, managing liquidity, including identifying liquidity optimization strategies, and analyzing potential strategic alternatives.

5. On July 2, 2021, I was appointed as Chief Restructuring Officer by the Debtor’s Board and have been serving in that capacity since my acceptance of that appointment on July 8, 2021.

6. Sharity is governed by a board of directors, currently consisting of the following people: J. Christopher Sizemore (Chairman), Stephen Vault, Joseph Handy, and A. Joseph Guarino III. Mr. Sizemore, who joined the Debtor’s board in October 2019, and Messrs. Vault and Handy, who joined the board in January 2020, are independent directors. To my knowledge, each director has significant experience working with nonprofit organizations and serving on nonprofit boards of directors.

7. The Debtors’ CEO, William “Rip” Thead, resigned on July 23, 2021. To my

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<sup>2</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Response.

knowledge, no current director, officer, or employee of Sharity has any connection to Alieria.

8. From the time SOLIC was first engaged by the Debtor in April 2021, Sharity has been working towards operating independently from Alieria. I was informed by the Debtor that it had been planning this separation for over a year. Prior to the Petition Date, Sharity commenced a strategic process by which it, among other things, identified and negotiated agreements with independent third-party service providers to provide administrative, technological, and other specialized services to Sharity on more favorable commercial terms than its contracts with Alieria. Sharity also stopped making payments to Alieria.

9. Sharity filed this chapter 11 case with the express goal of using its authority under the Bankruptcy Code to reject executory contracts with Alieria and transition to the new third-party vendors. The Debtor understood this would be a difficult task for several reasons, including that Alieria had originally been responsible for establishing the Debtor and the Debtor previously operated under a single vendor agreement with Alieria. However, the Debtor believed the only way it could continue to serve its members was to right-size its cost structure and remove the negative impact on Sharity's charitable mission caused by its continued association with Alieria. The strategic process and bankruptcy filing were undertaken for the benefit of the Debtor's members in furtherance of the Debtor's charitable mission.

10. In furtherance of its goal to separate from Alieria, the Debtor filed the Rejection Motion on the Petition Date for the stated purpose of rejecting the Alieria Contracts and transitioning to new service providers unaffiliated with Alieria for the benefit of Sharity's members.

11. Also on the Petition Date, the Debtor filed the Plan. At the time the Plan was filed, the Debtor's intention was to reorganize and continue its charitable operations. But, the



Plan also provided that if the Debtor's board of directors deemed it to be in the best interests of members, the Debtor could cease operations and elect to liquidate.

12. After the Petition Date, the Debtor encountered several practical and technical issues with disentangling its operations from Alieria. The Debtor continued discussions with Alieria to try and negotiate turnover and cooperation of the Debtor's electronically stored information and information relating to the Debtor's business. Among other issues the Debtor encountered, Alieria took the position that it owned certain such information critical to the Debtor's continued operations. For this reason, it became clear that the Debtor would be unable to process or facilitate the payment of member share requests for approximately four to six weeks, and potentially significantly longer. It appeared that only after ongoing disputes with Alieria were resolved would the Debtor be able to continue its operations.

13. Faced with an uncertain timeline on its ability to facilitate member-to-member sharing, potential litigation against Alieria, and the upcoming extended August 15, 2021 deadline for individuals to obtain insurance under the Affordable Care Act, the Debtor's board determined that it was in the Debtor's and members' best interests to cease operations and conduct an orderly wind-down. This decision was based on the Debtor's sound and conservative business judgment that continuing to accept sharing contributions would come with further risk to members given the possibility of significant delay and cost.

14. Notice of the Debtor's decision to cease operations and wind down its business was immediately given to the U.S. Trustee and the Subchapter V Trustee, sent to all members, and posted on the Debtor's public website. The Debtor also requested a status conference to advise the Court of the Debtor's decision, which was conducted on July 22, 2021.

15. The Debtor has continued to take reasonable steps in managing its affairs. For example, the Debtor immediately worked to shut off its ACH and credit card payments to ensure it did not receive additional payments from members and has segregated funds it received post-petition from members. The Debtor is continuing to work with its vendors to analyze and process share requests to ensure medical charges are adjudicated or re-priced to benefit members. The Debtor is also currently working on providing members with information related to alternative health care sharing options, information with respect to registered for coverage under the Affordable Care Act, addressing member contributions made after the Petition Date, and addressing the repricing of claims associated with outstanding share requests. The Debtor has provided notice of its decision to cease operating to its members, including by publishing such notice on its website.

16. Additionally, the Debtor is working to obtain all necessary member sharing information from Alieria. These efforts include, but are not limited to, the Alieria Subpoena and the ongoing investigation of potential causes of action against Alieria.

*[Remainder of Page Intentionally Left Blank]*

In accordance with 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my information, knowledge and belief.

Executed on July 29, 2021



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Neil F. Luria

**Exhibit B**


**Alera Subpoena**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:  SHARITY MINISTRIES, INC., <sup>1</sup>  Debtor.	Chapter 11 (Subchapter V)  Case No. 21-11001 (JTD)
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**SUBPOENA TO PRODUCE DOCUMENTS, INFORMATION, OR OBJECTS OR TO PERMIT INSPECTION OF  
PREMISES IN A BANKRUPTCY CASE**

**To: Alera Companies, Inc.  
990 Hammond Drive, Suite 700  
Atlanta, GA 30328**

 **Production: YOU ARE COMMANDED** to produce at the time, date, and place set forth below the following documents, electronically stored information, or objects, and to permit inspection, copying, testing, or sampling of the material: **See Exhibit A**

<b>PLACE</b> <b>Landis Rath &amp; Cobb LLP</b> 919 N. Market Street, Suite 1800 Wilmington, DE 19801 Attn: Matthew B. McGuire	<b>DATE AND TIME</b> August 5, 2021 at 10:00 a.m. (ET)
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☐ **Inspection of Premises: YOU ARE COMMANDED** to appear in the United States Bankruptcy Court at the time, date, and place set forth below to testify at a hearing or trial in this bankruptcy case. When you arrive, you must remain at the court until the judge or a court official allows you to leave.

Place	Date and Time
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The following provisions of Fed. R. Civ. P. 45, made applicable in bankruptcy cases by Fed. R. Bankr. P. 9016, are attached – Rule 45(c), relating to the place of compliance; Rule 45(d), relating to your protection as a person subject to a subpoena; and Rule 45(e) and 45(g), relating to your duty to respond to this subpoena and the potential consequences of not doing so.

<sup>1</sup> The last four digits of the Debtor's federal tax identification number is 0344. The Debtor's mailing address is 821 Atlanta Street, Suite 124, Roswell, GA 30075.

Dated: July 22, 2021

LANDIS RATH & COBB LLP

/s/ Matthew B. McGuire

Matthew B. McGuire (No. 4366)

919 Market Street, Suite 1800

Wilmington, Delaware 19801

Telephone: (302) 467-4400

Facsimile: (302) 467-4450

*Proposed Counsel to the Debtor and Debtor-in-Possession*

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**Notice to the person who issues or requests this subpoena**

If this subpoena commands the production of documents, electronically stored information, or tangible things, or the inspection of premises before trial, a notice and a copy of this subpoena must be served on each party before it is served on the person to whom it is directed. Fed. R. Civ. P. 45(a)(4).

**PROOF OF SERVICE**

**(This section should not be filed with the court unless required by Fed. R. Civ. P. 45.)**

I received this subpoena for (*name of individual and title, if any*): \_\_\_\_\_  
on (*date*)\_\_\_\_\_.

☐ I served the subpoena by delivering a copy to the named person as follows: \_\_\_\_\_  
\_\_\_\_\_ on (*date*) \_\_\_\_\_ ; or

☐ I returned the subpoena unexecuted because: \_\_\_\_\_  
\_\_\_\_\_

Unless the subpoena was issued on behalf of the United States, or one of its officers or agents, I have also tendered to the witness the fees for one day's attendance, and the mileage allowed by law, in the amount of \$ 0.00.

My fees are \$\_\_\_\_\_ for travel and \$\_\_\_\_\_ for services, for a total of \$\_\_\_\_\_.

I declare under penalty of perjury that this information is true and correct.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Server's signature*

\_\_\_\_\_  
*Printed name and title*

\_\_\_\_\_  
*Server's address*

Additional information concerning attempted service, etc.:

**Federal Rule of Civil Procedure 45(c), (d), (e), and (g) (Effective 12/1/13)**  
**(made applicable in bankruptcy cases by Rule 9016, Federal Rules of Bankruptcy Procedure)**

**(c) Place of compliance.**

(1) *For a Trial, Hearing, or Deposition.* A subpoena may command a person to attend a trial, hearing, or deposition only as follows:

(A) within 100 miles of where the person resides, is employed, or regularly transacts business in person; or

(B) within the state where the person resides, is employed, or regularly transacts business in person, if the person

(i) is a party or a party's officer; or

(ii) is commanded to attend a trial and would not incur substantial expense.

(2) *For Other Discovery.* A subpoena may command:

(A) production of documents, or electronically stored information, or things at a place within 100 miles of where the person resides, is employed, or regularly transacts business in person; and

(B) inspection of premises, at the premises to be inspected.

**(d) Protecting a Person Subject to a Subpoena; Enforcement.**

(1) *Avoiding Undue Burden or Expense; Sanctions.* A party or attorney responsible for issuing and serving a subpoena must take reasonable steps to avoid imposing undue burden or expense on a person subject to the subpoena. The court for the district where compliance is required must enforce this duty and impose an appropriate sanction — which may include lost earnings and reasonable attorney's fees — on a party or attorney who fails to comply.

(2) *Command to Produce Materials or Permit Inspection.*

(A) *Appearance Not Required.* A person commanded to produce documents, electronically stored information, or tangible things, or to permit the inspection of premises, need not appear in person at the place of production or inspection unless also commanded to appear for a deposition, hearing, or trial.

(B) *Objections.* A person commanded to produce documents or tangible things or to permit inspection may serve on the party or attorney designated in the subpoena a written objection to inspecting, copying, testing or sampling any or all of the materials or to inspecting the premises — or to producing electronically stored information in the form or forms requested. The objection must be served before the earlier of the time specified for compliance or 14 days after the subpoena is served. If an objection is made, the following rules apply:

(i) At any time, on notice to the commanded person, the serving party may move the court for the district where compliance is required for an order compelling production or inspection.

(ii) These acts may be required only as directed in the order, and the order must protect a person who is neither a party nor a party's officer from significant expense resulting from compliance.

(3) *Quashing or Modifying a Subpoena.*

(A) *When Required.* On timely motion, the court for the district where compliance is required must quash or modify a subpoena that:

(i) fails to allow a reasonable time to comply;

(ii) requires a person to comply beyond the geographical limits specified in Rule 45(c);

(iii) requires disclosure of privileged or other protected matter, if no exception or waiver applies; or

(iv) subjects a person to undue burden.

(B) *When Permitted.* To protect a person subject to or affected by a subpoena, the court for the district where compliance is required may, on motion, quash or modify the subpoena if it requires:

(i) disclosing a trade secret or other confidential research, development, or commercial information; or

(ii) disclosing an unretained expert's opinion or information that does not describe specific occurrences in dispute and results from the expert's study that was not requested by a party.

(C) *Specifying Conditions as an Alternative.* In the circumstances described in Rule 45(d)(3)(B), the court may, instead of quashing or modifying a subpoena, order appearance or production under specified conditions if the serving party:

(i) shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship; and

(ii) ensures that the subpoenaed person will be reasonably compensated.

**(e) Duties in Responding to a Subpoena.**

(1) *Producing Documents or Electronically Stored Information.* These procedures apply to producing documents or electronically stored information:

(A) *Documents.* A person responding to a subpoena to produce documents must produce them as they are kept in the ordinary course of business or must organize and label them to correspond to the categories in the demand.

(B) *Form for Producing Electronically Stored Information Not Specified.* If a subpoena does not specify a form for producing electronically stored information, the person responding must produce it in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms.

(C) *Electronically Stored Information Produced in Only One Form.* The person responding need not produce the same electronically stored information in more than one form.

(D) *Inaccessible Electronically Stored Information.* The person responding need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the person responding must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of Rule 26(b)(2)(C). The court may specify conditions for the discovery.

(2) *Claiming Privilege or Protection.*

(A) *Information Withheld.* A person withholding subpoenaed information under a claim that it is privileged or subject to protection as trial-preparation material must:

(i) expressly make the claim; and

(ii) describe the nature of the withheld documents, communications, or tangible things in a manner that, without revealing information itself privileged or protected, will enable the parties to assess the claim.

(B) *Information Produced.* If information produced in response to a subpoena is subject to a claim of privilege or of protection as trial-preparation material, the person making the claim may notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information and any copies it has; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if the party disclosed it before being notified; and may promptly present the information under seal to the court for the district where compliance is required for a determination of the claim. The person who produced the information must preserve the information until the claim is resolved.

...

(g) *Contempt.* The court for the district where compliance is required — and also, after a motion is transferred, the issuing court — may hold in contempt a person who, having been served, fails without adequate excuse to obey the subpoena or an order related to it.



**EXHIBIT A**

## **DEFINITIONS**

1. The terms “and” and “or” mean “and/or” and shall be construed both conjunctively and disjunctively, as necessary, to make these document requests as inclusive as possible.
2. The words “any” and “all” shall be considered to include “each” and “each and every.”
3. “Alera Companies” means, collectively, the Alera Companies, Inc., and any affiliated entities (as the term “affiliate” is defined in 11 U.S.C. § 101(2)), including but not limited to (i) Advevo, LLV; (ii) Ensurian Agency, LLC; (iii) Tactic Edge Solutions, LLC; and (iv) USA Benefits & Administrators, LLC, and their respective successors, assigns, current and past officers, directors, agents, employees, consultants, attorneys, and any others acting or purporting to act on behalf of the Alera Companies.
4. “Alera Contracts” means, collectively, any contract between the Debtor and any of the Alera Companies, including but not limited to: (i) Agreement for Marketing and Brand Development Services by and between Advevo, LLC, and Trinity Healthcare, Inc. effective January 1, 2020; (ii) Managing National General Wholesaler Agreement by and between Ensurian Agency, LLC and Trinity Healthshare, Inc. effective January 1, 2020; (iii) the Ancillary Services Agreement by and between Tactic Edge Solutions, LLC and Trinity Healthcare, Inc. effective January 1, 2020; (iv) IT Platform Service Agreement by and between Tactic Edge Solutions, LLC and Trinity Healthshare, Inc. effective January 1, 2020; (v) Administration Services Only Agreement for Trinity Healthshare, Inc. by and between USA Benefits & Administrators, LLC and Trinity Healthshare, Inc. effective January 1, 2020; and (vi) the Management and Administration Agreement by and between Alera Healthcare, Inc. and Trinity HealthShare, Inc. effective August 13, 2018.
5. “Communications” means every manner or means of disclosure, transfer, or exchange, and every disclosure, transfer or exchange of information whether orally or face-to-face or by telephone, mail, e-mail, computer disk, telecopy or facsimile, personal delivery, documents, or otherwise.
6. “Contributions” means the voluntary contributions made by Members in accordance with the guidelines applicable to their respective program.
7. “Document(s)” includes writings and data compilations and any tangible thing on or in which words or data are preserved by any means or in any form, including, without limitation, correspondence, Communications, letters, envelopes, telegrams, telexes, minutes, notes or memoranda of personal or telephone conversations or conferences, telephone logs, memoranda, handwritten or stenographic notes, electronic mail, diaries, calendars, contracts, purchase orders, invoices, accounts, ledgers, evaluations, analyses, forecasts, statistics, estimates, reviews, working papers, books, magazines, newspapers, booklets, brochures, catalogs, pamphlets, instructions, circulars, bulletins, trade letters, press releases, charts, maps, diagrams, designs, specifications, blueprints, sketches, drawings, pictures, photographs, motion pictures, video or audio tapes, belts or disks, voice recordings, transcripts or transcriptions, computer printouts, magnetically encoded cards or tapes, microfilms, microfiches, and any other data complications from which words,

numbers, images or other information can be obtained, and shall include all drafts and nonidentical copies of such documents. “Documents” include not only paper records but any of the foregoing items, writings, or Electronically Stored Information (“ESI”) which may be recorded or stored in any form of electronic media (translated if necessary, to appropriate devices in reasonably usable form), including but not limited to CD ROMS; floppy disks; computer hard drives; magnetic tape; optical disks; backup tapes; servers; desktop, laptop, or tablet computers; cell and smart phones; PDA devices; scanners, fax machines, and copying machines; and mobile storage devices, such as thumb or external hard drives, SIM cards, or flash drives.

8. “Member” means any person who is or has previously qualified for membership with Sharity and was, at any time, eligible to submit Share Requests.

9. “Person(s)” means a natural person, firm, association, organization, partnership, business, trust, limited liability company, corporation, or public entity.

10. “Petition Date” means July 8, 2021.

11. “Relating to” means concerning, explaining, containing, corresponding to, discussing, or to be in any way legally, logically, or factually connected with the matter inquired of.

12. “Share Request” means the mechanism in which Members submit the expenses of their medical services to be shared by other Members.

13. “Sharity” means Sharity Ministries, Inc. the debtor in the above-captioned bankruptcy case pending in the U.S. Bankruptcy Court for the District of Delaware. For the avoidance of doubt, references to Sharity include Sharity while it operated under the name Trinity Healthshare, Inc.

### **INSTRUCTIONS**

14. Each request for a document or documents contemplates production thereof in full, without abbreviation or expurgation, and calls for production of all copies that have notes or other written material or marking not appearing on other copies as well as electronic versions of said document, and any other responsive electronically stored information.

15. If you object to the production of any document on the claim of attorney/client or work product privilege, identify the privilege claimed as well as each document for which such privilege is claimed, together with the following information with respect to each such document:

- a. Date
- b. Sender
- c. Addressee
- d. Subject
- e. The basis on which the privilege is claimed
- f. The names of persons to whom copies of any part of the document were furnished, together with an identification of their employer and their job titles.

16. All ESI shall be produced in native file format, with original metadata and accompanied by industry standard load files for native productions. Any ESI that is not text-searchable in native form shall be rendered with OCR software to produce searchable text. Any hard-copy documents scanned or converted to electronic form and produced in electronic form shall be produced as single page TIFF images with document level (multi-page) searchable text (.TXT) files, rendered with OCR software. The source of the documents (e.g., hard copy, scanned documents) shall be identified. Load files for such productions shall include document breaks which indicate the start and stop of a document and sequential Bates numbering without gaps.

17. Unless otherwise specified, the relevant time period for the creation and/or transmission of any document is January 1, 2018 through July 8, 2021.

**REQUESTS FOR PRODUCTION  
OF DOCUMENTS FROM THE ALIERA COMPANIES**

1. Documents sufficient to show all Sharing Requests submitted or received by the Alieria Companies related to Sharity, and for each Sharing Request:

- a. The Member on whose behalf the Sharing Request was submitted;
- b. The amount of the Sharing Request;
- c. Dates of service of Sharing Request;
- d. All information submitted in support of the Sharing Request;
- e. All documents related to the analysis conducted by the Alieria Companies to determine the extent to which Sharing Request was eligible for sharing under the applicable guidelines, including any notes or information created as part of such eligibility analysis, and the result of such analysis;
- f. The result of any Sharing Request adjudication conducted by the Alieria Companies;
- g. Any explanation to the Member of the status of their Share Request and the Member's financial responsibility for any amounts included in the Share Request; and
- h. Whether such Sharing Request has been paid, and if so, evidence of such payment.
- i. Aggregate amount of Sharing Requests determined to be eligible but remaining unpaid.

2. For all Contributions transferred to or retained by the Alieria Companies from January 1, 2018 to the Petition Date, documents sufficient to show:

- a. The date the Member made such Contribution;

- b. The date such Contribution was received by or transferred to the Alieria Companies;
- c. The purported basis for such transfer or retention; and
- d. The amounts deducted from such Contributions to pay the Alieria Companies.

3. To the extent not produced in response to Request No. 2, documents sufficient to show all money or property paid by Sharity to the Alieria Companies for any purpose whatsoever, and for each payment:

- a. The date such payment was made and whether in cash or applies against monies/balances payable or receivable;
- b. The basis for such payment as reflected on the Alieria Companies' respective books and records and the Alieria Company that was the recipient of such payment.

4. All communications related to Sharity's transition from the Alieria Contracts to new service providers, including but not limited to the Alieria Companies' proposed responses to such transition and data/information provided, by or between (a) any of the Alieria Companies, and/or (b) any other person.

5. For the time period of January 1, 2021 through July 25, 2021, all documents related to or evidencing efforts to identify, contact, recruit, or solicit Members of Sharity, including to transfer or convert to any other health care sharing ministry such as, for example, Covenant HealthShare, Inc., and information identifying any Members of Sharity that have become members of other health care sharing ministries.

6. All documents constituting the "membership roster" as defined in Section 5 of that certain Managing National General Wholesaler Agreement effective January 1, 2020 by and between Trinity Healthshare, Inc. and Ensurian Agency, LLC.

7. All documents constituting the "confidential information" as defined in Section 11(a) of that certain Ancillary Services Agreement effective January 1, 2020 by and between Tactic Edge Solutions, LLC and Trinity Healthshare, Inc., including detailed call log records with Members of Sharity.

8. All documents constituting the "client data" as defined in Section 1(b) or the "work product" as defined in Section 4(b) of that certain IT Platform Service Agreement effective January 1, 2020 by and between Tactic Edge Solutions, LLC and Trinity Healthshare, Inc., including detailed call log records with Members of Sharity.

9. All documents constituting the "Sharing Program records, files and reports" as defined in Section 3(F) and the "final financial report" as defined in Section 3(G) of that certain Administration Services Only Agreement for Trinity Healthshare, Inc. effective January 1, 2020 by and between USA Benefits & Administrators, LLC and Trinity Healthshare, Inc.

10. All documents and information referred to as (i) the “Accounulator / Sharing History / HRP data;” (ii) “repricing data;” (iii) “E-123” or “Admin123” data; and (iv) the current instance of the “Sharebox database.”

11. All contracts or agreements by and between any of the Alieria Companies and any third party or subcontractor used to provide the services contemplated by the Alieria Contracts.

12. Annual financial statements including, but not limited to, balance sheets, income statements, and cash flow statements, for each of the Alieria Companies for the years 2017-2021.

13. All federal and state tax returns and K-1s issued for 2017-2021 for each of the Alieria Companies.

14. All contracts or agreements by and between any of the Alieria Companies.

15. Documents sufficient to show all customers of each of the Alieria Companies and all revenue attributable to each customer for each of the following years: 2017-2021.

16. Documents sufficient to show all transactions including, but not limited to, loans, loan accruals, loan paydowns, salary and benefits payments, bonuses, equity distributions, and any other transfers of money or property between (a) any of the Alieria Companies and/or (b) any of their respective owners.

17. All documents related to any analysis of the amounts the Alieria Companies recorded in Sharity’s books and records as being owed by the Alieria Companies to Sharity.

**EXHIBIT C**

**Member Guide**

MEMBER GUIDE

# Sharity

SPECTRUM



THIS IS NOT AN INSURANCE PRODUCT



## Welcome

Welcome to Sharity Ministries. Thank you for participating in our health care sharing community. We are committed to streamlining access to individual and family-focused health care services at each step along the continuum of care. Please take a few minutes to review and understand the information in this member guide.

While this member guide is not a contract and does not constitute an agreement, a promise to pay, or an obligation to share, it is provided to help you understand how your Sharity Ministries (Sharity) program works, your responsibilities as a member of a Health Care Sharing Ministry (HCSM) and the guidelines associated with your program. The more informed you are, the easier it will be to understand which services may be eligible for sharing with your program, as well as any limitations, exclusions or requirements you should know about prior to receiving a medical service.

**Sharity Ministries programs are not available in AK, CO, CT, HI, IA, MA, MD, ME, MT, ND, NH, NJ, NM, NY, OR, PA, PR, SD, TX, VA, VT, WA, WY or Washington, D.C. Limitation subject to change without prior notice. Due to regulatory limitations regarding compensation, Sharity Ministries programs will no longer be sold in Massachusetts or Pennsylvania.**

### 1.A Contact Member Services

Please contact Member Services Monday through Friday between 8am and 6pm ET.

**Phone Number:** 855-218-7005

**Email Address:** [memberservices@sharityministries.org](mailto:memberservices@sharityministries.org)

## 2. About Sharity Ministries



### 2.A Believe in the Sharity Way!

Sharity Ministries is a non-profit, health care sharing ministry for Christians to help each other with medical requests without using health insurance. Because the ministry is not an insurance company, the terminology and processes may be different than you are accustomed to. Take a look at the information below to understand how the health care sharing ministry works.

- Members' monthly contributions are used to voluntarily share medical bills within the ministry
- The ShareBox system, the membership account that Sharity utilizes to facilitate Member-to-Member sharing for its membership, sends weekly notifications, letting members know who will receive funds that month
- Members' sharing requests are reviewed for eligibility for sharing. Per the member guide, eligible amounts are submitted to the membership for sharing.
- Members can also use the ShareBox system to donate gifts or additional funds to other members, as well as send words of encouragement

### 2.B We Are Sharity

Sharity Ministries is a faith-based, 501(c)(3) non-profit charitable organization, operating as a health care sharing ministry (HCSM). Through its predecessor organization, it has a rich history of sharing medical burdens since 1997. HCSMs provide health care cost-sharing arrangements among Christians, based upon their similar and sincerely-held religious beliefs.

Through prayer and voluntary monthly gifts, members of HCSMs assist other members with eligible sharing requests. The ministry serves as a facilitator for those members who have medical expenses and those members who desire to assist in paying for those medical expenses.

### **2.B.1 Monthly Contributions**

Sharity is a ministry. As a member of this ministry, you are agreeing to voluntarily send a monthly gift (contribution) as a blessing to another member to assist in that member's medical expenses. To facilitate this sharing, Sharity uses a system called ShareBox. Please [here](#) learn more about ShareBox.

## **SHARING MEDICAL EXPENSES THROUGH MONTHLY CONTRIBUTIONS**

Because Sharity is NOT insurance, it cannot, and does not, guarantee that the members' monthly contributions available will meet all eligible sharing medical requests in the community. In that event, the following actions may be taken:

- A pro-rata share of eligible medical sharing requests may be initiated, with the members paying a percentage of eligible sharing requests, carrying over the balance to the following month.
- If sharing requests exceed contributions over a 60-day period, monthly contributions may be increased. This may be temporary or on an ongoing basis and will be applied to all members.

### **2.B.2 Guidelines**

Sharity Ministries created guidelines to define what medical bills are eligible for sharing. Upon the basis of the Guidelines, all decisions about what is eligible to be shared and not shared are made. You can know before your medical event happens what will be eligible to be shared.

The guidelines set basic parameters around sharing requests, including specific limitations, exclusions and requirements for sharing request eligibility. A determination that a sharing request is eligible for sharing is not a promise or guarantee that the sharing request will be paid by the ministry. Instead, eligibility simply means that the sharing request will be submitted to the membership for sharing. Members pay each others eligible medical expenses, if there are sufficient contributions, NOT Sharity.

The dollar amount of assistance provided by members of the community will be published in a monthly newsletter to all members and that is published to Sharity's website.

### **2.B.3 Member Share Responsibility Amount (MSRA)**

The MSRA is the initial portion of each medical expense not shared with other members. A share request is not eligible for sharing until the total bill exceeds the individual's

MSRA. The program MSRA is notated in the [Program Sharing Limits](#) section.

## **2.B.4 Is This Legal?**

Sharity Ministries is recognized by the IRS as a 501(c)(3) charity. Health care sharing also satisfies the mandates of the federal Affordable Care Act. Members are to complete the IRS created [Form 8965](#), indicating what portion of the year they were a member of a health care sharing ministry.

## **2.C Sharity is NOT Insurance**

Sharity Ministries is NOT an insurance company, nor does it sell insurance policies. The difference is simple. Health insurance is a contract where one party agrees to be legally responsible for and accept another party's risk of loss in exchange for a payment, which is called a premium. Insurance involves a "transfer of risk." Health care sharing is an arrangement where members share medical expenses through voluntary contributions, not because of legal obligation; no transfer of risk occurs.

Because Sharity Ministries is not an insurance company, it is not licensed or registered by any insurance department. The ministry does not assess potential members' health risks, because neither the ministry nor the members are assuming financial liability for any other members' risk.

Sharity does not provide a promise to pay or any guarantee of payment for medical expenses. Because Sharity does not assume the member's risk, the member remains responsible for payment of his/her medical bills. Sharity does not guarantee that medical expenses will be shared by other members.

Sharity Ministries is governed and regulated by the IRS 501(c)(3) tax-exempt rules and the not-for-profit laws in each state.

There is no designated time window to sign up for Sharity Ministries. You can join anytime. Because it is not insurance, there is no 'term' to your membership. Your membership continues as long as you continue to participate and contribute to the HCSM program.

# **3. Program Level Information**

## **3.A Program Sharing Limits**

### **3.A.1 Member Shared Responsibility Amount (MSRA)**

*The MSRA is the initial portion of each medical expense not shared with other members. A share request does not qualify for sharing until the total bill exceeds the individual's MSRA.*

To view an example, please click [here](#).

**\$3,000**

### 3.A.2 Yearly Membership Sharing Limit

*This is the maximum sharing available on eligible sharing requests by other members for a year from the effective date of membership.*

To view an example, please click [here](#).

**\$300,000**

### 3.A.3 Lifetime Membership Sharing Limit

*This is the maximum sharing available on eligible sharing requests by other members for the life of the membership.*

To view an example, please click [here](#).

**\$600,000**

## 3.B Services Chart

Member Access	Sharity Recognized Provider Group (MultiPlan PHCS)	Non-Recognized Provider Group
Doctor Office Sharing	Member-to-Member Sharing= 100%	Member-to-Member Sharing = 60%
Urgent Care Sharing	Member-to-Member Sharing= 100%	Member-to-Member Sharing = 60%
Specialty Care Sharing	Member-to-Member Sharing= 100%	Member-to-Member Sharing = 60%
Emergency Room Sharing	Per Incident Member-to-Member Sharing Limit= \$20,000	Per Incident Member-to-Member Sharing Limit= \$20,000
Ambulance Sharing	Member-to-Member Sharing= 100%	Member-to-Member Sharing = 60%
Hospital Sharing	Member-to-Member Sharing= 100%	Member-to-Member Sharing = 60%
Maternity Sharing	Member-to-Member Sharing= 100%	Member-to-Member Sharing = 60%
Surgery Sharing	Member-to-Member Sharing= 100%	Member-to-Member Sharing = 60%

## 3.C Maternity Sharing



Certain maternity medical expenses are eligible for sharing as long as a doctor confirms the conception occurred after the member's start date and not before the mother's membership began. Overall, sharing requests for prenatal care at the OB/GYN are eligible for sharing.

Generally, all bills for prenatal care, delivery, postnatal care, miscarriage, and congenital conditions are eligible for sharing. Additionally, bills for midwives, doctors, nurse practitioners, and other licensed medical professionals are eligible for sharing. For a child with genetic defects and/or hereditary diseases, special criteria apply. Please see the [Member-to-Member Sharing Clarification](#) table for more information.

### **3.C.1 Pre- and Post-Birth Sharing Requests**

A mother's medical expenses for all pregnancy and birth-related complications will be eligible for sharing.

A child or children's pre-birth sharing requests and bills for routine postnatal, including no more than one routine outpatient doctor visit, will be part of the mother's maternity sharing requests.

All of the child's sharing requests after they are born, beyond routine natal care, will be considered the child's sharing request separate from the mother's maternity sharing requests.

### 3.D Emergency Room

Up to \$20,000 (per incident) in medical expenses from an emergency room visit are eligible for sharing.

### 3.E Pre-existing Conditions

Members may have prior illnesses and events in life that still impact their daily lives. To be fair and equitable and not overburden the membership community, restrictions and limitations are applied to conditions occurring prior to membership, known as pre-existing conditions.

Sharing requests that result from a medical condition existing prior to the membership start date (known or producing observable symptoms) are only eligible for sharing among members if the condition appears to be cured and 18 months have passed without any symptoms (whether or not benign), treatment, testing, or medication (even if the cause of the symptoms is unknown or misdiagnosed). Medical records may be required to verify the lapse of symptoms, treatment, testing, and medication.

**Conditions that meet the parameters below will be shared:**

#### 1. Cured Conditions, 18-months Symptom, Testing, and Treatment Free

1. Medical expenses that result from a condition that existed prior to membership (known or producing observable symptoms) are only eligible for sharing if the condition appears to be cured and 18 months have passed without any signs of symptoms (benign or not), testing, treatment, or medication (even if the cause of the symptoms is unknown or misdiagnosed).
2. Medical Record: *To provide fairness within the coordination of sharing between members, Sharity Ministries may require medical records from a physician that the current sharing request was not caused by the prior condition.*

#### 2. For heart conditions, cancer, genetic defects, and hereditary diseases, the symptom testing/treatment-free period is 3 years.

1. Because of the severity of certain medical burdens, members will not share in the above requests unless the following criteria has been met:
  1. A condition will not be considered as existing before membership, even though it may be known that it is not cured, if all these are documented by the member to be true for at least 3 years at the time your membership began:
    1. The condition has not been treated nor is future treatment prescribed/planned;
    2. The condition has not produced harmful symptoms (only benign symptoms); and

The condition has not deteriorated.

2. Medical Records: *To provide fairness within the coordination of sharing between members, Sharity Ministries may require medical records from a physician that the current sharing request was not caused by the prior condition.*

### 3. Member Verification of Certain Conditions

1. For some of the conditions listed in this section, the member and doctor must submit a signed statement to confirm the condition did not exist prior to membership or that the member went 18 or more months (up to 3 years for some conditions) without symptoms, testing, treatment, and medication.

### 4. Ending Membership, Rejoining, or Switching Membership Level

1. To prevent abuse, mistrust, and be fair across the membership community,
  1. Members who end their membership and later re-join will be responsible for condition(s) that developed during their initial membership, unless the criteria outlined above has been met.
  2. Members who upgrade their membership level are not subject to any medical condition(s) that developed since the start of their initial membership.

## 3.F Member-to-Member Sharing Clarification

### 3.F.1 Services Eligible for Sharing

#### Basic Care

**Hospice Care:** Hospice care services are eligible for sharing for 90 days upon prescription by a physician or certification that the person is terminally ill.

#### Lab Work

**Maternity:** Sharing requests for prenatal care at the OB/GYN, delivery, postnatal care, miscarriage, and congenital conditions are eligible for sharing.

**Organ Transplant:** The costs to the member recipient of a routine (not experimental) organ transplant (including costs of the donor) are eligible for sharing, and are subject to the limitations for conditions that existed prior to membership.

**Prescriptions in the Hospital:** All medication, prescribed or not, administered during inpatient hospital stays are eligible for sharing.

**Prescriptions outside of the Hospital:** Prescriptions required for the continued healing of the member are eligible for sharing for up to 30 days after discharge from the hospital and to a maximum of \$1,000.

#### Primary Care



**Sexually Transmitted Diseases (STDs):** When the STD was contracted as a result of the actions of others and not of the member (e.g. blood transfusions, non-consensual sex, or medical procedures), the expenses are eligible for sharing.

### **Specialty Care**

**Urgent Care:** These facilities provide medical services for minor emergencies and are eligible for sharing under the limitations of your program (e.g. allergic reaction).

### **3.F.2 Services Eligible for Sharing With Exception**

**Armed Conflict:** Services are eligible for sharing unless you are the aggressor; if you are acting in self defense or are a bystander, medical services will be eligible for sharing within the limitations of your program.

**Audiological:** Surgery to correct hearing issues due to illness, accident, or congenital defect is eligible for sharing. Hearing aids or any related examination or fitting are not eligible for sharing unless for hearing loss caused by accident or disease (e.g. not eligible for sharing if due to aging or extended exposure to loud noise).

Cochlear implants (and the related consultation and therapy), prosthetic inner ear stimulators, and similar implanted devices are eligible for sharing if a physician has provided written verification that the hearing loss cannot be addressed by non-surgical means.

**Cosmetic Surgery:** Surgery for disfigurement caused by amputation, disease (excluding acne), accident, and breast reconstruction following a mastectomy is eligible for sharing.

**Dental Conditions and Routine Dental Care:** Dental services are not eligible for sharing, except when required due to an eligible accident or as necessary to treat, or ancillary to treatment of, another eligible non-dental health condition, such as an eligible genetic defect. Dental services for accidents to teeth while eating are not eligible for sharing.

**Diabetes:** Expenses are not eligible for sharing unless 18 months have passed without any symptoms, treatment, or medication.

**Elective Surgeries:** Costs for elective surgery will not be eligible for sharing if incurred in the first sixty (60) days of membership, except in the case of an eligible accident.

**Genetic Defects, Hereditary Diseases, Cancer, and Heart Conditions:** A condition will not be considered as existing before membership, even though it may be known that it is not cured, if all these are true for at least five years at the time your membership start date:

1. The condition had not been treated and did not have future treatment prescribed/planned;
2. The condition had not produced harmful symptoms (only benign symptoms); and
3. The condition had not deteriorated.

**High Blood Pressure:** High blood pressure will not be considered a [pre-existing condition](#) even if you have not gone 18 months symptom free, as long as you have not been treated at a hospital for high blood pressure in the past five years, and you are able to manage the condition through medication and/or diet. Medication for treatment of high blood pressure as a chronic condition will not be eligible for sharing.

**High Cholesterol:** High Cholesterol by itself is not considered a [pre-existing condition](#), nor is the mere fact that a person is taking a prescribed statin drug (or other antihyperlipidemic), unless the prescription is for diagnosed arteriosclerosis for a particular site within the body.

**Medical Supplies:** Sharing requests for medical supplies are eligible for sharing only when supplies are provided: (i) during an inpatient hospital stay; and/or (ii) supplies provided as a part of outpatient treatment by a medical provider.

**Motor Vehicle Injuries:** Most sharing requests for motor vehicle-related injuries are eligible for sharing. A 'motor vehicle' is any vehicle with an engine/motor used for transportation, work, or recreation. Bills must be submitted to any responsible or liable party before they will be considered for sharing. See Payment from Others section.

1. **Eligible for Sharing.** Sharing requests from injuries in a motor vehicle accident are eligible for sharing for the amount of the sharing request that is not the responsibility of any insurance or liable party.
2. **Not Eligible for Sharing.** If found that you were under the influence of alcohol or illegal substances.

**Optical:** Medical expenses related to cataracts, glaucoma, and other diseases or injury (including cornea replacement due to disease or injury) are eligible for sharing. Vision therapy is eligible for sharing. Routine and corrective optometric services, exams, or tests, including eyeglasses, contacts, eye refraction, LASIK surgery, cornea replacement, surgery, or other services when done primarily for corrective or cosmetic reasons unrelated to disease or injury are not eligible for sharing.

**Physical Therapy:** Expenses for injury or illness-related physical therapy received while you are in the hospital and for outpatient therapy are eligible for sharing.

**Prescriptions:** All costs for medication, prescribed or not, administered during inpatient hospital stays are eligible for sharing.

**Prosthetics & Orthotics:** Prosthetics are artificial devices that replace or augment a missing or impaired part of the body. An orthotic is a support or brace for weak or ineffective joints or muscles. The initial costs of prosthetics and orthotics are generally eligible for sharing.

1. Limited Prosthetics for hair, teeth, and breasts are generally not eligible for sharing with certain exceptions for accidents and disease.
2. Replacements and Maintenance Limitations' Replacement and maintenance of prosthetics and orthotics are not eligible for sharing unless damaged in an accident.

**Psychiatric Care:** Costs for inpatient psychiatric care due to involuntary commitment, and/or psychiatric treatment for changes in the brain due to injury or physical illness are eligible for sharing up to \$25,000 per condition.

**Services Eligible for Sharing:** Services received within the first sixty (60) days of membership will not be eligible for sharing if the member cancels his/her membership within thirty (30) days following receipt of such care (even if the services would otherwise generally be eligible for sharing).

**Sexual Dysfunction:** Only eligible for sharing if caused by injury or disease.

**Sexually Transmitted Diseases (STDs):** Eligibility for sharing of medical costs for care related to HIV, AIDS, and/or other STDs is dependent upon the manner in which the member contracted the STD. The member is responsible for providing this information.

**Speech Therapy:** Eligible for sharing if related to illness or accident (e.g. stroke).

### 3.F.3 Services Not Eligible for Sharing

#### Abortion

#### Abuse of Drugs or Alcohol

#### Accidents to teeth while eating

#### ADD, ADHD, SPD

**Alternative Medical Practices:** An alternative medical practice or treatment is a treatment proposed by a member for a condition lawfully diagnosed by a licensed medical professional, but not prescribed by the member's provider.

#### Basic Eye Care

#### Bio Feedback Therapy

#### Chiropractic

#### Contraceptives

**Cosmetic Surgery:** All elective cosmetic surgery done primarily for non-health reasons, including breast reduction or enhancement operations, is not eligible for sharing.

**Fertility**

**Homeopathic**

**Hormone, Infusion, and Intravenous Therapy**

**Injury or Accident Result due to Alcohol or Drug Abuse**

**Long-Term Care**

**Maintenance/Repair/Replacement of Medical Equipment**

**Massage (Therapeutic)**

**Naturopathic**

**Nutritionists**

**Osteopathic**

**Physiological services**

**Prophylactic Surgery**

**Self-Inflicted Injury**

**Sexually Transmitted Diseases (STDs):** When the STD was contracted through irresponsible member behavior (e.g. consensual sex outside of marriage or sharing hypodermic needles for illegal or illicit drug use), it is not eligible for sharing.

**Sterilization**

**Supplements**

**Surrogacy**

**Temporomandibular disorders (TMJ)**

**Travel Expenses**

**Weight Reduction:** Weight reduction programs, diet centers, and clinics are not eligible for sharing. Staples in the stomach, balloons inserted in the stomach, jaw wiring, or any other surgical procedures done primarily for weight reduction are not eligible for sharing.

## 4. Member Responsibilities

### 1. Eligible Share Request Notifications

1. Members should check their email for sharing request notifications.

Members should approve or deny all requests in the ShareBox system. If you have not submitted a response in the ShareBox system within 3 days of the notification, your approval is assumed. The community is obligated to provide a timely response to other members.

**2. New Members**

1. To begin a membership, each new member sends a membership fee, along with their contribution for the first month. The non-refundable membership fee is \$125, of which \$25 immediately goes to charity. New members will receive a welcome letter, a copy of the Membership Guidelines, and login information for the Sharity member portal and ShareBox system.

**3. Sending Prayer and Notes**

1. In addition to approving eligible sharing requests in the ShareBox system, you are welcome to send words of encouragement and prayers to other members.

**4. Respect for Privacy**

1. Members share deeply personal prayer requests and health information with one another. While this information may be shared with family and prayer partners, names or details should not be shared on social media, blogs, or websites without permission, or in any other way misuse the information.

**5. Integrity**

1. Members are expected to act with integrity at all times. Members who falsify sharing requests or use deceptive practices for themselves or another member will be dropped from the membership with no refund.
2. When a sharing request is submitted, the ministry qualifies it in accordance with Guidelines with the hope that members will contribute financially in a timely fashion.

**6. Terminating Membership**

1. You must notify Sharity Ministries no less than 15 days prior to your next contribution to end your membership. (E.g., if you want your last sharing month to be August, you must notify Sharity by August 15.) Sharity Ministries relies on this window to adjust notifications and pending eligible sharing requests in the ShareBox system. Members depend on your voluntary financial gifts to meet the requests of our community.

**7. Adjusting Membership**

1. If you are continuing your membership, but are removing a spouse or lowering your household contribution in any way, you must notify Sharity Ministries no less than 15 days prior to your next contribution. (E.g., if you want your monthly contribution to be modified in September, you must notify Sharity Ministries by August 15.)

**8. Restarting Membership Less Than 60 Days From End of Membership**

1. **And a Sharing Request has Occurred** - If you have a sharing request occur (whether new or related to a prior sharing request) after the date your membership ended, and you seek to restart your membership less than 60 days from the end of your membership it will be treated as a new membership so all existing health conditions will be subject to the pre-

existing conditions sharing limits discussed in the [pre-existing condition](#) section.

2. **And No Sharing Request has Occurred** - If you seek to restart your membership and no sharing request has occurred since your membership ended if you notify Member Services within 60 days after the membership ended and you catch up on any missed shares, your membership will be treated as if it never ended.

9. **Restarting Membership More Than 60 Days From End of Membership**

1. If you seek to restart a membership more than 60 days after it ended, it will be treated as a new membership, requiring a new application and charitable donation. The member will be subject to the [pre-existing condition](#) section, as if they are a new member. The membership enrollment fee is non-refundable.

10. **Requesting Sharing and Hardship Request for an Ineligible Sharing Request (Hardship Request)**

1. Members may submit a 'Hardship Request' for eligible medical services that do not otherwise meet the Guidelines, (such as pre-existing conditions) and members may give to these requests in addition to their regular monthly share. Sharity Ministries reserves the right to decide which sharing requests will or will not be shared as Hardship Requests. Requests for eligible medical expenses to be submitted as a Hardship Request will be evaluated based on criteria like the extent of the financial burden, the availability of assistance from other sources, the degree to which the sharing request was avoidable, and the number of other pending requests.
2. Before submitting a Hardship Request, consider financial resources, including reductions requested from providers, financial assistance provided through your provider, and assistance from your family and local church. Remember that the membership will be giving beyond their contributions to alleviate the burden. For questions concerning Special Prayer Requests or Hardship Requests call **855-218-7005** to speak to a sharing advisor.

11. **Payment From Others**

1. Members may experience medical events where other payment arrangements must be used first before the event may be submitted as a sharing request.
  1. **Insurance Type Arrangements** - Bills must be submitted to insurance, Medicare, Worker's Compensation, and any other payer who may be responsible before submitting to Sharity Ministries. Members must receive notice of payment or rejection and submit related documentation, before Sharity Ministries will consider sharing the sharing request. Any amount paid by insurance, Medicare, Worker's Compensation, or any other responsible or liable party(s) will not be shared. If a sharing request is shared and later reimbursed by a third party or liability is released as part of a settlement, the reimbursed amount must be returned to meet other members' requests, even if the amount of

medical expense compensation is not specified in the settlement.

2. **Pursuing Legal Remedy** - If a member suffers an injury and a probable liable party or their insurance refuses to pay unless legal remedies are pursued, the member must pursue his legal remedies unless they demonstrate that doing so would violate his Biblically-based conviction against initiating a lawsuit. Conditions may be placed on sharing requests related to such injuries before the matter is settled. Amounts received in settlement, to the extent they fairly represent compensation for shared medical expenses, must be sent on to meet other members' requests.

2. **Other Health Care Sharing Organizations** - If a member participates in another health care sharing ministry, they may not seek shares/payments from multiple ministries in excess of his shareable bills, for to do so is to obtain assistance beyond his burden.

## 12. **Submission Timing**

1. Ordinarily, eligible medical expenses submitted more than one year after the service was provided will not be shared.

## 13. **Changing Membership Levels**

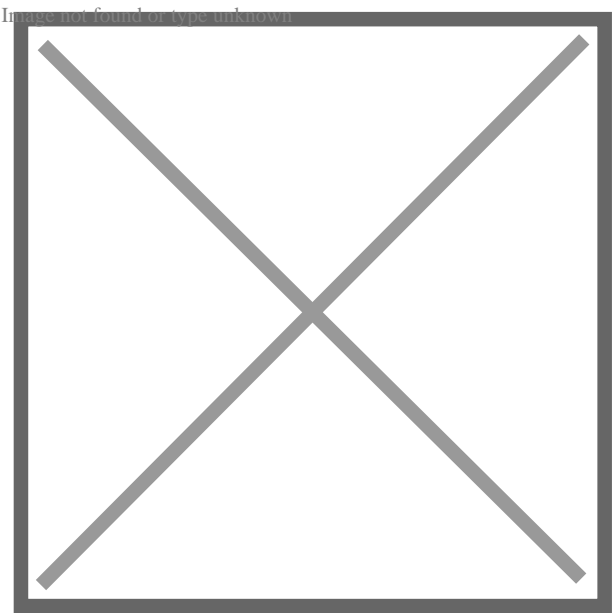
1. Members can change levels at any time. A level change will be treated as a brand new membership requiring a new application and charitable donation, and subject to [pre-existing limitations](#) as if you had never been a member. The charitable donation is non-refundable.

## 14. **Newsletters**

1. Check your email for newsletters or updates on the positive impacts of Sharity's charitable giving

# 5. Understanding Your Membership

## 5.A Sharity Share System



5.B Understanding Your Sharity Ministries Membership Card

1

2

3

4

5

PHCS

Sharity Spectrum

ID: 12400789

Name

Join Date

Expiration Date

Effective Date: 10/01/2020

MOBA® \$3,000

Providers should verify eligibility for Sharity before treatment or service 855-218-7055

PCP: Call for eligibility

UrgCare: Call for eligibility

Spec: Call for eligibility

ER: Call for eligibility

This participant and any listed dependents are members of a Health Care Sharing Ministry recognized pursuant to 26 USC 501(c)(29) that does not provide the benefits of insurance. Members agree to verify qualifications for and comply with the terms of their chosen program before seeking care or services in regions where MOBA® (Member Shared Responsibility Amount) applies.

This is NOT an insurance product.

6

7

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11

1. Sharity Recognized Provider Group (MultiPlan PHCS)

2. Sharity Ministries Program

3. Member ID

4. Primary Member Name

5. Dependent(s)

6. Effective Date

7. Individual Member Shared Responsibility Amount

8. Primary Care Physician Visit Eligibility

9. Urgent Care Visit Eligibility

10. Specialty Care Visit Eligibility

11. Emergency Room Visit Eligibility

Administrated by

USA Benefits & Administrators

Provider Services

To find a provider, visit

ShareMinistry.com

ShareMinistry.com

ShareMinistry.com

Sharity

Member Services: 855-218-7055

ShareMinistry: 866-920-2627

PROVIDERS SHOULD VERIFY ELIGIBILITY FOR SHARITY BEFORE TREATMENT OR SERVICE 855-218-7055

Completed Medical Expense Form, EDI 70901

855-218-7055

855-218-7055

This is NOT an insurance product.

5.C Understanding the Sharity Ministries Member Portal

As a member of Sharity Ministries, you are a part of faith-based community of like minded Christians. It is expected that all members will be good stewards of the program. To help members fulfill this expectation, Sharity Ministries provides access to specialized technology systems designed to support members in their sharing. The member-based technology systems that make Sharity Ministries unique are the Member Portal and the ShareBox. The ShareBox is connected to the Member Portal, but you can also access it



independently via the Sharity Web site.

The Member Portal is the single most important tool for your membership. Through the Member Portal, you have visibility into, and control over, your membership and your healthcare costs through a secure online member portal. This secure online member portal provides the convenience of being able to self-service your membership and connect with the Sharity Ministries community. Your time is important, and it solves the problem of waiting on the phone to ask questions like, 'Can I change my payment method?', 'Where do I find doctors and facilities in network?', 'How can I connect with other members'? or 'How does my membership work?'.

**In addition to offering solutions to the above questions (and more), the Member Portal also offers the following services for your convenience:**

- E-chat with a Ministry Advisor about the various advantages of your membership
- Send words of encouragement and prayers to other members in their times of need
- Change your billing method privately and securely search provider and facility locations
- View and check the status of your submitted Share Requests and how much money you have put toward your healthcare costs
- Approve eligible medical Share Requests submitted by members within your membership level
- Add eligible dependents to your membership
- Donate additional funds to help lessen the burden within the sharing community that are in excess of the funds available by the community of members or to lighten member burdens identified in Hardships Requests

## **5.D How to Access Your Member Portal**

1. Go to the Sharity Ministries website, [SharityMinistries.org](https://www.sharityministries.org)
2. Click Members in the navigation bar at the top of the screen and you will be directed to the Member Portal login page
3. If it is your first time using the Member Portal, click Register Complete all fields with an asterisk (\*) then click **Save and Next**
4. You will be prompted to create your username and password
5. Your password should be between 8 and 15 characters and have at least one uppercase letter, one lower case letter, one number and one of the following special characters: !@#\$%&\_ -
6. You will be asked to confirm your identity, then click One Time Password (OTP) for Verification, you will receive a 6-digit code, then you may proceed to Set Security Questions
7. Scroll to read the Sharity Ministries Program Disclosures
8. Check the box next to I Agree, then click Submit
9. Your Member Portal user account will be created, and you will be redirected to the Member Portal's homepage

## **5.E Understanding the Sharity Ministries ShareBox Portal**

The Sharity Ministries ShareBox Portal is where our membership community can share in medical expenses. The ShareBox is where members can see their current Monthly Contributions amount, review their sharing history and track their medical expenses. The ShareBox is where our members interact with their fellowship community.

The ShareBox is where members can track:

- Member Account Overview
- Sharing History
- Donations
- Account Summary
- Monthly Contribution Information

### **5.E.1 ShareBox Portal FAQs**

**How will members receive the notification about sharing with other members and when?**

- Email notification will go out to members every month. The member will be contacted via the email address that is on file in the Member Portal.

**How long do members have to respond?**

- Members have three days to respond if they would like to opt out for that month. The opt-out feature is available for a particular month only before that month's activity starts in the ShareBox. By participating in the ministry, members are opted in for sharing.

**What happens if the member does not respond within 3 days'**

- The member's contribution will be shared with other members who have eligible pending sharing requests.

**What other information is available in the ShareBox portal?**

- Member Account Overview
- Sharing History
- Donations
- Account Summary
- Monthly Contributions

**How is the ShareBox Portal different from the Member Portal?**

- The ShareBox Portal is dedicated to show activity related to each member's ShareBox account and historical summary.

How does ShareBox protect my privacy?







- In ShareBox, members can only see a contribution at the dollar amount level and a donor's first initial/last name. No share request details of other members' eligible medical services rendered is accessible to the contributing member(s). This allows for Member-to-Member sharing to remain confidential.

5.F How to Access the ShareBox Portal

1. Go to the Sharity Ministries website, [SharityMinistries.org](https://www.sharityministries.org)
2. Click ShareBox in the navigation bar at the top of the screen and you will be directed to the ShareBox Portal login page

6. How to Use Your Membership

6.A How Does Sharity Facilitate Sharing?

01	Members select a provider or facility within the MultiPlan PHCS network and present their member ID card at the time of their visit.	
02	Members are responsible for paying toward their annual MSRA at the time of the medical visit (see Member Guide for further details).	
03	To simplify the process, the provider will complete their standard medical claim form, viewed by Sharity as a share request, to submit a payment request for the medical services rendered.	
04	After receiving a share request from the member or provider, eligibility for payment is determined by Sharity in accordance with the Member Guide.	
05	Sharity will assign the eligible expense(s) for sharing to other members, less the amount of personal responsibility required by the MSRA.	
06	If eligible and sufficient member contributions are available, the member's medical expenses are shared by the members of the ministry, and the burden of the health care expense is lifted.	

7. Information About Your Membership

7.A Defining a Membership

A membership in Sharity Ministries is limited to members of the same nuclear family. Nuclear families include the primary member, spouse, and children, but can include grandchildren in the circumstances described below.

Any unmarried children age 17 and under, and unmarried children age 18 and over who meet the requirements of paragraph 1, may be included as a child in a family membership.

### 1. Children Age 18 and Over

1. Unmarried children ages 18 through 25 may remain on their parents' membership if they are living at home (which includes while away at school full-time).
2. Someone 18 or older may not be on a membership with a sibling when no parent is active on the membership. Whenever that occurs, the older child will need to enroll in his or her own membership.
3. Someone 18 or older, who does not live at home or meet the qualifications stated above, is considered an adult and requires their own membership.

### 2. Marriage

1. All married children of a primary member must have their own membership, even if they qualify as a dependent or are under age 26.

## 30-DAY GRACE PERIOD

Children who become ineligible to be on their parents' membership, as described above, will have a 30-day grace period to obtain their own membership. After 30 days, they will no longer be considered part of their parents' membership.

## GAP PERIOD BETWEEN MEMBERSHIPS

Any incidents that occur from the time a child leaves their parents' membership to the date they begin their own will not be shared.

## NEWBORN

A newborn will be retroactively added to the family membership if Sharity is notified within 30 days of birth. If notified after 30 days, the effective membership date will be the date Sharity is notified. Note: the monthly contribution will increase with the addition of the child. Please be aware there are specific Guidelines addressing sharing requests for a newborn in the [Maternity Sharing Requests](#) section.

## ADOPTION

Just like biological children, adopted, unmarried children less than 27 years-old may be added as a dependent under your membership. Services that are eligible for sharing are limited to medical and will not be eligible for sharing until the dependent has been added to your membership; to add a dependent, additional contributions will apply.

## GRANDCHILDREN

Grandchildren may be included as part of their grandparents' membership if they meet **all** of the following criteria:

1. They live permanently with their grandparents (their primary household);

2. The grandparents have legal custody or the grandchild is the child of a minor;
3. They meet the eligibility Guidelines for children, and
4. They have no other third-party responsible for their medical bills.

## REMOVAL OF CHILD OR SPOUSE FROM MEMBERSHIP

A child or spouse splitting off an existing membership will begin at the same level as the existing membership.

### 7.B Deciding what doctor to use and how the membership shares based on that decision

Members are encouraged, but not obligated, to use the MultiPlan (PHCS) network. The PHCS network affords the membership community with the most fair and consistent pricing for medical expenses, so costs are fully eligible for sharing after the MSRA that is noted in the [Program Sharing Limits](#) section is met.

Choosing a provider outside the PHCS may cost the membership community more. A member will be responsible for 40% of any eligible medical expense for services rendered outside the Sharity Recognized Provider Group (MultiPlan PHCS). Sharity members will share in the remaining 60% of the eligible medical expense as a sharing request among the community. The MSRA still applies.

Network participation is outside the control of both Sharity and its members and may change frequently. Provider participation is not guaranteed, so it is critical to call the provider to verify participation in the network prior to scheduling your appointment(s) and incurring medical expenses that may or may not be eligible for sharing.

1. Start your doctor search by visiting [sharityministries.org/network](http://sharityministries.org/network).
2. Find the name of your membership level in the left-hand column of the chart.
3. Click the network logo next to it.
4. Search for a doctor.
5. Call the doctor you choose to ensure participation with the network.

## 7.C Resolving Disputes

### 7.C.1 Disagreements Among Members

Sharity Ministries is a voluntary association of like-minded people who come together to assist each other by sharing medical expenses, without establishing legal obligations. However, differences of opinion may occur, so a methodology for resolving disputes is available. By becoming a member of Sharity Ministries, you agree that any dispute you have with or against Sharity Ministries, its associates, or employees will be settled using the following steps as a course of last resort.

If a member disagrees with a determination and believes there is a valid reason why the initial determination is wrong, then the member may file an appeal.

**A. 1<sup>st</sup> Level Appeal.** Most differences of opinion can be resolved simply by calling Sharity Ministries to resolve the matter with a member services representative, within a reasonable amount of time.

**B. 2<sup>nd</sup> Level Appeal.** If the member is unsatisfied with the determination of the member services representative, then the member may request a review by the Internal Resolution Committee, made up of three Sharity Ministries officials. The appeal must be in writing, stating the elements of the disagreement, and the relevant facts. While no time frame for a response can be guaranteed, the Internal Resolution Committee will endeavor to respond and work on resolving the appeal within 30 days. During this appeal period, timely responses from the member, the health care providers, and any others involved will be necessary to provide a timely resolution. The appeal must address the following items:

1. What information in the determination is either incomplete or incorrect?
2. How do you believe the information already on hand has been misinterpreted?
3. Which provision in the Member Guide do you believe was applied incorrectly?

### **7.C.2 Agreement to Alternative Dispute Resolution**

Sharity is a voluntary association of like-minded people who come together to assist each other by sharing medical expenses. Such a sharing and caring association does not create legally binding obligations to pay medical expenses of Members. However, it is recognized that differences of opinion will occur, and that a methodology for resolving disputes must be available. Therefore, by becoming a Member of Sharity, you agree that any past, present, or future claim, controversy, or dispute of any description (the 'Dispute') that you have arising out of, relating to, or in connection with your relationship or dealings with Sharity (including any of its respective predecessors, successors, affiliates, subsidiaries, parent companies, agents, employees, representatives, directors, managers, officers, shareholders, assigns, associates, attorneys, distributors, and all other persons acting on their behalf) will be settled using the following steps of action, and only as a course of last resort.

### **7.C.3 Steps for Alternative Dispute Resolution**

**Mediation and Arbitration.** If the dissatisfied Member disagrees with the conclusion of the Internal Resolution Committee or has any other disputes or claims arising from or related to the member's relationship or dealings with Sharity, then the Dispute shall be resolved by first submitting it to mediation. The mediation will occur in the state where you reside, or in Atlanta, Georgia, whichever you prefer.

If the Dispute is not resolved through mediation, then the matter shall be submitted to legally binding arbitration in accordance with the applicable Rules and Procedure of the American Arbitration Association (or 'AAA'), except the AAA Rules on class arbitration shall not apply. Notwithstanding any Rule or Procedure of the AAA, the Member and Sharity agree that the arbitrator shall be restricted to resolving only the Dispute between the dissatisfied Member and Sharity and will not be allowed to conduct any consolidated or class-wide arbitration proceedings involving claims or disputes of other Members. The dissatisfied Member waives any right to represent others in a class action or to

participate as a class member in any class action. The Member and Sharity agree that the arbitrator selected to resolve the Dispute shall also have exclusive authority to resolve all gateway issues of arbitrability, including without limitation all issues of his/her own jurisdiction; all issues about the formation, interpretation, applicability, validity, or enforceability of this arbitration provision or the Member Guide; all issues about what claims or disputes or parties are shared by this arbitration provision; and all substantive or procedural defenses to enforcement of this arbitration provision. The Member and Sharity agree and understand that these methods shall be the sole remedy to resolve any controversy or claim arising from or related to the Dispute, and expressly waive their right to file a lawsuit in any civil court against the Member or against Sharity for such disputes, except to enforce an arbitration decision or to compel arbitration. Any arbitration shall be held either in Atlanta, Georgia, or in the state where the dissatisfied Member resides and shall be conducted in the English language subject to the laws of the State of Georgia. Sharity shall pay the filing fees for the arbitration at the time of filing, and it shall pay the arbitrator's fee. Except as otherwise required by law, other expenses of the arbitration shall be paid by each party, respectively, including without limitation costs related to transportation, accommodations, experts, evidence gathering, administrative costs, and legal counsel. The dissatisfied Member and Sharity agree to be legally bound by the arbitrator's final decision. The parties may alternatively elect, by mutual agreement, to use other professional arbitration services available in the Atlanta metropolitan area or in the state where the dissatisfied Member resides.

The AAA maintains a list of approved arbitrators. The arbitrator will be selected from those lists. The AAA will provide each of us a list of seven (7) possible arbitrators. Each of us will have an opportunity to strike three (3) persons from that list, and you will have the first three (3) strikes. After each of us have used our strikes, the remaining person shall then serve as our arbitrator. We may also mutually agree, in writing, on an arbitrator from the AAA's lists.

In conducting the arbitration proceedings, the arbitrator shall be bound by the Federal Rules of Evidence. In the event of a conflict between the AAA Rules and the Federal Rules of Evidence, the Federal Rules of Evidence control. The arbitrator's findings, reasoning, decision, and award shall be set forth in writing, and shall be pursuant to Georgia law. The arbitrator must abide by all applicable laws protecting the attorney-client privilege, the attorney work product doctrine, and any other applicable privilege.

The decision and judgment of the arbitrator shall be final, binding, and enforceable in any court having jurisdiction. The arbitrator's findings, reasoning, decision, and award shall be subject to judicial review on the grounds set forth in 9 U.S.C. - 10, as well as on the grounds that the findings, decision, or award are manifestly inconsistent with the terms set out herein or with applicable law.

You agree that Sharity business operations and your transactions with Sharity involve and affect interstate commerce. The Federal Arbitration Act applies to and governs this arbitration provision, not the arbitration laws or procedures of any state.

If an arbitrator determines that any term of this arbitration provision is unenforceable, the remaining terms of this arbitration provision are severable and enforceable to the fullest

extent permitted by law.

To the extent permitted by law, these private dispute resolution procedures supersede any prior private dispute resolution procedures in any previously-issued Guidelines and are specifically incorporated in any other previously-issued Guidelines. By continuing to make monthly sharing contributions, the Member recognizes his/her consent to incorporation of these private dispute resolution procedures in any applicable Guidelines.

**7.C.4 Timing of Sharing Requests with Amendments**

Amendments to the Guidelines will go into effect as soon as administratively practical or as designated by the Board. Members will be notified of amendments to the Guidelines in the monthly newsletter, through postings on the ministry website, or through electronic correspondence.

**7.C.5 Applicable Law**

For all matters of procedure and substance regarding any dispute or claim that comes within these mediation/arbitration requirements, the laws of the State of Georgia, and if applicable of the United States, shall govern.

**7.C.6 Notice of Amendments**

If you have a sharing request that began before the amendments were adopted, the sharing of medical expenses related to that sharing request will be determined by the Guidelines as they existed on the date the medical expenses were incurred. However, medical expenses related to a member's sharing request that would have been eligible for sharing under the Guidelines in effect when a request began will remain eligible for sharing regardless of subsequent Guideline amendments.

**8. Glossary of Terms**

Term	Definition	Example
Days	Unless specified otherwise, days means calendar days, not business days	
Effective Date	The date that the member becomes active in the Sharity Ministries program, which is determined at the time a member joins.	Ex. If the member's effective date is July 1, 2020, this is the date their medical expenses are eligible for sharing.



Explanation of Sharing	<p>A document that explains a Share Request. It will provide information on the Member-to-Member share amount, which is facilitated by Sharity Ministries, and total costs of services rendered.</p>	<p>Ex. If a member submits a share request, they will later receive an explanation of sharing, which describes how much of the request was shared amongst the membership and how much the member is responsible for paying.</p>
Household	<p>This includes your entire membership account, including anyone listed under your membership as a dependent or spouse. Dependent members are defined in your membership guideline.</p>	<p>Ex. Your household consist of primary members and dependent members.</p>
Lifetime Sharing Maximum	<p>This is the maximum amount that may be shared Member-to-Member over the lifetime of the membership. This is defined in the <a href="#">Program Sharing Limitations</a> section.</p>	<p>Ex. If you have an accident and expenses accumulate, the maximum amount of medical services eligible for sharing amongst the membership, is subject to the membership guidelines. To find your Lifetime Sharing Maximum, please <a href="#">click here</a>.</p>
Member	<p>Any individual who qualifies for membership with Sharity Ministries.</p>	<p>Ex. On your effective date, you become a member of Sharity Ministries and get to enjoy the privileges of membership.</p>
Member Portal	<p>The online member tool where members can manage their contributions, payment methods, and other personal information.</p>	<p>Ex. If you would like to update your payment method or personal information, please visit the Member Portal.</p>

Member Shared Responsibility Amount (MSRA)	<p>The MSRA is the initial portion of each medical expense not shared with other members. A share request does not qualify for sharing until the total bill exceeds the individual's MSRA.</p>	<p>You are enrolled in Sharity Spectrum and have a MSRA of \$3,000. You go to the Emergency Room and have to pay the entire cost of your visit, which is \$7,000. You have to pay your full MSRA (\$3,000) before any medical services are eligible for sharing within the membership community. Because the cost of the visit is greater than your MSRA, you will have to pay \$3,000 and then the remaining \$4,000 will be submitted for sharing within the membership community. If you are at a Sharity Recognized Provider Group (MultiPlan PHCS), Member-to-Member Sharing = 100%. If you are at a Non-Recognized Provider Group, Member-to-Member Sharing = 60%.</p>
Monthly Contributions	<p>Every month, members' voluntary contributions are sent to Sharity Ministries, where they're deposited into the members' ShareBox accounts.</p>	<p>Ex. As stated in the guidelines, your contribution is paid every month on your designated contribution date.</p>
Non-Recognized Provider Group	<p>Providers that do not offer negotiated rates to ministry members.</p>	<p>Ex. If seeking service from a provider, please ensure the provider is recognized with our ministry program. If not, the member will be required to share in more of their own eligible health care expenses since the membership will be overly burdened due to non-reduced rates.</p>
Primary Member	<p>This is the responsible party listed on the membership account. This individual is responsible for making monthly contributions as stated in the guidelines and managing their dependents.</p>	<p>Ex. If you are the primary member on your Sharity account, you are responsible for your dependents and making the monthly membership contribution.</p>
Program Year	<p>The member's program year is the twelve-month span of time that starts on the member's effective date.</p>	<p>Ex. If your effective date is July 30, 2020, your program starts on this date and lasts for one year.</p>

ShareBox	The membership account that Sharity utilizes to facilitate Member-to-Member sharing for its membership.	Ex. When you submit a share request that meets the guidelines of the membership, payment may be remitted Member-to-Member via the ShareBox.
Share Request	Share requests are the mechanism in which members submit their medical services to be shared by the membership.	Ex. To have eligible medical services shared by the membership, the member must submit their medical service costs in the form of a share request.
Sharity Recognized Provider Group	This group of providers offers negotiated rates to ministry members and offers sustainability to the membership.	Ex. Before seeking service from a provider, please ensure the provider is recognized with our ministry program.

9. Terminology Examples

9.A Example 1

Member Shared Responsibility Amount (MSRA)

A member goes to the emergency room within the Sharity Recognized Provider Group\* (MultiPlan PHCS) and the cost of their visit is \$11,000. The member meets their full Member Shared Responsibility Amount (MSRA) (\$3,000) before any medical services are eligible for sharing within the membership community. Since the MSRA has been met, \$9,000 is eligible for sharing within the membership community.

Visit Cost Remaining MSRA		Amount Eligible for Sharing
Emergency Room	\$11,000    \$0	\$9,000

\*If a member is receiving eligible medical services at a Sharity Recognized Provider Group (MultiPlan PHCS), Member-to-Member Sharing = 100%. If a member is receiving eligible medical services at a Non-Recognized Provider Group, Member-to-Member Sharing = 60%.

9.B Example 2

Yearly Membership Sharing Limit

A member goes to the emergency room and their visit costs \$11,000. The member meets their full [Member Shared Responsibility Amount](#) (MSRA) (\$3,000) before any medical services are eligible for sharing within the membership community. Since the MSRA has been met, \$9,000 is eligible for sharing within the membership community.

The \$9,000 that was shared within the membership community will be applied to the [Yearly Membership Sharing Limit](#). The member will be able to share in an additional \$291,000 worth of eligible medical services with the membership community before the Yearly Membership Sharing Limit will be met and sharing will stop.

\*If a member is receiving eligible medical services at a [Sharity Recognized Provider Group](#) (MultiPlan PHCS), Member-to-Member Sharing = 100%. If a member is receiving eligible medical services at a [Non-Recognized Provider Group](#), Member-to-Member Sharing = 60%.

### 9.C Example 3

#### Lifetime Membership Sharing Limit

A member goes to the emergency room and their visit costs \$11,000. The member meets their full [Member Shared Responsibility Amount](#) (MSRA) (\$3,000) before any medical services are eligible for sharing within the membership community. Since the MSRA has been met, \$9,000 is eligible for sharing within the membership community.

The \$6,000 that was shared within the membership community will be applied to the [Lifetime Maximum Sharing Limit](#). The member will be able to share in an additional \$591,000 worth of eligible medical services throughout the member's lifetime with the membership community before the Lifetime Membership Sharing Limit will be met and sharing will stop; however, members' medical services will still be eligible for network discounts and repriced services within the Sharity Recognized Provider Group (MultiPlan PHCS).

\*If a member is receiving eligible medical services at a [Sharity Recognized Provider Group](#) (MultiPlan PHCS), Member-to-Member Sharing = 100%. If a member is receiving eligible medical services at a [Non-Recognized Provider Group](#), Member-to-Member Sharing = 60%.

## 10. Disclosures

This organization facilitates the sharing of medical expenses but is **NOT** an insurance company, and neither its guidelines nor plan of operation is an insurance policy. You should review this organization's guidelines carefully to be sure you understand any limitations that may affect your personal medical and financial requests.

### 10.A Statement of Beliefs

To comport with federal law, the members of a health care sharing ministry must share a common set of religious beliefs. Sharity Ministries operates under the following Statement of Beliefs to which all members must attest.

1. We believe the Bible alone is the inspired Word of God:Â therefore, it is the final and only source of absolute spiritual authority.
2. We believe in the triune God of the Bible.Â He is one God who is revealed in three distinct Persons God, the Father; God, the Son; and God, the Holy Spirit.
3. We believe Jesus Christ was God in the flesh fully God and fully man.Â He was born of a virgin, lived a sinless life, died on the cross to pay the penalty for our sins, was bodily resurrected on the third day, and now is seated in the heavens at the right hand of God, the Father.
4. We believe that all people are born with a sinful nature and can be saved from eternal death only by grace alone, through faith alone, trusting only in Christ's atoning death and resurrection to save us from our sins and give us eternal life.
5. We believe in the bodily resurrection of all who have put their faith in Jesus Christ.
6. All we believe and do is for the glory of God alone.

## 10.B Legal Notices

The following legal notices are required by state law and are intended to notify individuals that health care sharing ministry programs are not insurance and that Sharity Ministries does not provide any guarantee or promise of payment for any medical costs or expenses incurred by its members.

### 10.B.1 General Legal Notice

Sharity Ministries facilitates the sharing of medical expenses but is not an insurance company, and neither its guidelines nor program of operation is an insurance policy. Sharing may be available for all eligible medical expenses; however, participation as a member of Sharity Ministries does not guarantee or promise that your medical bills will be paid or assigned to other members for payment. Whether any other member chooses to contribute, in whole or in part, to the payment of your medical bills is completely voluntary on the part of that member. As such, membership in Sharity Ministries should never be considered as a substitute for an insurance policy. Whether you or your provider(s) receive any payments for medical expenses and whether or not Sharity Ministries continues to operate, you are always liable for any unpaid medical bills. This health care sharing ministry is not regulated by state departments of insurance. You should review Sharity's guidelines carefully to be sure you understand any limitations that may affect your personal medical and financial requests.

**Sharity Ministries programs are not available in AK, CO, CT, HI, IA, MA, MD, ME, MT, ND, NH, NJ, NM, NY, OR, PA, PR, SD, TX, VA, VT, WA, WY or Washington, D.C. Limitation subject to change without prior notice. Due to regulatory limitations regarding compensation, Sharity Ministries programs will no longer be sold in Massachusetts or Pennsylvania.**

### **10.B.2 State Specific Legal Notices**

#### **Alabama Code 22-6A-2, 22-6A-3**

Notice: The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor plan of operation is an insurance policy. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant will be compelled by law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive any payment for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills.

#### **Alaska Statute 21.03.021(k)**

Notice: The organization coordinating the sharing of medical expenses is not an insurance company, and neither its guidelines nor plan of operation is an insurance policy. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant will be compelled by law to contribute toward your medical bills. Participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive a payment for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills.

#### **Arizona Statute 20-122**

Notice: The organization facilitating the sharing of medical expenses is not an insurance company and the ministry's guidelines and plan of operation are not an insurance policy. Whether anyone chooses to assist you with your medical bills will be completely voluntary because participants are not compelled by law to contribute toward your medical bills. Therefore, participation in the ministry or a subscription to any of its documents should not be considered to be insurance. Regardless of whether you receive any payment for medical expenses or whether this ministry continues to operate, you are always personally responsible for the payment of your own medical bills.Â

#### **Arkansas Code 23-60-104(2), 23-76-103(c)(1)**

Notice: The organization facilitating the sharing of medical expenses is not an insurance company and neither its guidelines nor plan of operation is an insurance policy. If anyone chooses to assist you with your medical bills, it will be totally voluntary because participants are not compelled by law to contribute toward your medical bills. Participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive a payment for medical expenses or if this organization continues to operate, you are always personally responsible for the payment of your own medical bills.

#### **Georgia Code 33-1-20(a)(6)**

Notice: The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor plan of operation is an insurance policy. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant will be compelled by law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive any payment for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills.

**Idaho Code 41-121(2)(f)**

Notice: The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor plan of operation is an insurance policy. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant will be compelled by law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive any payment for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills.

**Illinois Statute 215 Ill. Comp. Stat. 5/4, Class 1(b)**

Notice: The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor plan of operation constitute or create an insurance policy. Any assistance you receive with your medical bills will be totally voluntary. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Whether or not you receive any payments for medical expenses and whether or not this organization continues to operate, you are always personally responsible for the payment of your own medical bills.

**Indiana Code 27-1-2.1-1, 27-1-2.1-2**

Notice: The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor its plan of operation is an insurance policy. Any assistance you receive with your medical bills will be totally voluntary. Neither the organization nor any other participant can be compelled by law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Whether or not you receive any payments for medical expenses and whether or not this organization continues to operate, you are always personally responsible for the payment of your own medical bills.

**Kentucky Statute 304.1-120(7)**

NOTICE: UNDER KENTUCKY LAW, THE RELIGIOUS ORGANIZATION FACILITATING THE SHARING OF MEDICAL EXPENSES IS NOT AN INSURANCE COMPANY, AND ITS GUIDELINES, PLAN OF OPERATION, OR ANY OTHER DOCUMENT OF THE RELIGIOUS ORGANIZATION DO NOT CONSTITUTE OR CREATE AN INSURANCE POLICY. PARTICIPATION IN THE RELIGIOUS ORGANIZATION OR A SUBSCRIPTION TO ANY OF ITS DOCUMENTS SHALL NOT BE CONSIDERED

INSURANCE. ANY ASSISTANCE YOU RECEIVE WITH YOUR MEDICAL BILLS WILL BE TOTALLY VOLUNTARY. NEITHER THE ORGANIZATION OR ANY PARTICIPANT SHALL BE COMPELLED BY LAW TO CONTRIBUTE TOWARD YOUR MEDICAL BILLS. WHETHER OR NOT YOU RECEIVE ANY PAYMENTS FOR MEDICAL EXPENSES, AND WHETHER OR NOT THIS ORGANIZATION CONTINUES TO OPERATE, YOU SHALL BE PERSONALLY RESPONSIBLE FOR THE PAYMENT OF YOUR MEDICAL BILLS.

**Louisiana Statute 22:318, 22:319**

Notice: The ministry facilitating the sharing of medical expenses is not an insurance company. Neither the guidelines nor the plan of operation of the ministry constitutes an insurance policy. Financial assistance for the payment of medical expenses is strictly voluntary. Participation in the ministry or a subscription to any publication issued by the ministry shall not be considered as enrollment in any health insurance plan or as a waiver of your responsibility to pay your medical expenses.

**Maine Statute title 24-A, §704**

Notice: The organization facilitating the sharing of medical expenses is not an insurance company and neither its guidelines nor plan of operation is an insurance policy. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant will be compelled by law to contribute toward your medical bills. Participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive payment for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills.

**Michigan Comp. Laws 550.1865, 550.1867**

Notice: The eligible entity that operates this health care sharing ministry, Sharity Ministries, Inc., is not an insurance company and the financial assistance provided through the ministry is not insurance and is not provided through an insurance company. Whether any participant in the ministry chooses to assist another participant who has financial or medical needs is totally voluntary. A participant will not be compelled by law to contribute toward the financial or medical needs of another participant. This document is not a contract of insurance or a promise to pay for the financial or medical needs of a participant by the ministry. A participant who receives assistance from the ministry for his or her financial or medical needs remains personally responsible for the payment of all of his or her medical bills and other obligations incurred in meeting his or her financial or medical needs.

**Mississippi Code 83-77-1**

Notice: The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor

plan of operation is an insurance policy. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant will be compelled by



law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive any payment of medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills.

**Missouri Statute 376.1750**

Notice: This publication is not an insurance company nor is it offered through an insurance company. Whether anyone chooses to assist you with your medical bills will be totally voluntary, as no other subscriber or member will be compelled to contribute toward your medical bills. As such, this publication should never be considered to be insurance. Whether you receive any payments for medical expenses and whether or not this publication continues to operate, you are always personally responsible for the payment of your own medical bills.

**Nebraska Statute 44-311**

IMPORTANT NOTICE: This organization is not an insurance company, and its product should never be considered insurance. If you join this organization instead of purchasing health insurance, you will be considered uninsured. By the terms of this agreement, whether anyone chooses to assist you with your medical bills as a participant of this organization will be totally voluntary, and neither the organization nor any participant can be compelled by law to contribute toward your medical bills. Regardless of whether you receive payment for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills. This organization is not regulated by the Nebraska Department of Insurance. You should review this organization's guidelines carefully to be sure you understand any limitations that may affect your personal medical and financial needs.

**New Hampshire Statute 126-V:1**

IMPORTANT NOTICE: This organization is not an insurance company, and its product should never be considered insurance. If you join this organization instead of purchasing health insurance, you will be considered uninsured. By the terms of this agreement, whether anyone chooses to assist you with your medical bills as a participant of this organization will be totally voluntary, and neither the organization nor any participant can be compelled by law to contribute toward your medical bills. Regardless of whether you receive payment for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills. This organization is not regulated by the New Hampshire Insurance Department. You should review this organization's guidelines carefully to be sure you understand any limitations that may affect your personal medical and financial needs.Â

**North Carolina Statute 58-49-12**

Notice: The organization facilitating the sharing of medical expenses is not an insurance company and neither its guidelines nor its plan of operation is an insurance policy. Whether anyone chooses to assist you with your medical bills will be voluntary. No other

participant will be compelled by law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive any payment for medical expenses or whether this organization continues to operate, you are always personally liable for the payment of your own medical bills.

**South Dakota Codified Laws 58-1-3.3**

Notice: The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor plan of operation is an insurance policy. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant will be compelled by law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive any payments for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills.

**Texas Ins. Code 1681.001, 1681.002, and 1681.003**

Notice: This health care sharing ministry facilitates the sharing of medical expenses and is not an insurance company, and neither its guidelines nor its plan of operation is an insurance policy. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant will be compelled by law to contribute toward your medical bills. As such, participation in the ministry or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive any payment for medical expenses or whether this ministry continues to operate, you are always personally responsible for the payment of your own medical bills. Complaints concerning this health care sharing ministry may be reported to the office of the Texas attorney general.

**Virginia Code 38.2-6300, 38.2-6301**

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PO BOX 28220 Atlanta, GA 30358  
Toll Free 855-218-7005