

The Application identifies BCBSMT as the proposed transferor and nonprofit health entity that is the subject of the conversion transaction. It identifies HCSC as the proposed transferee and entity that would receive ownership or control of BCBSMT. According to the Application, the Applicants are the only parties subject to the conversion.

The Application sets forth the basis for and terms of the conversion transaction, including: a description of the Asset Purchase Agreement into which the Applicants have entered and which constitutes the conversion transaction agreement; BCBSMT's reasons for entering into a conversion with HCSC; a description and valuation of all consideration exchanges the parties would conduct as a part of or as a result of the conversion; a stipulation that certain assets are public assets as defined under Mont. Code Ann. § 50-4-701(9); and representations of the Applicants that the conversion is in the public interest. Additionally, the Application contains a copy of the Asset Purchase Agreement; a Financial and Community Impact Report from an independent expert; an independent valuation of the fair market value of BCBSMT as of June 30, 2012; and an antitrust analysis from an independent expert. Finally, the Application includes a schedule of the assets and liabilities involved in the transaction, an actuarial appraisal report of certain BCBSMT health care contracts, and an internal BCBSMT transaction summary and analysis document.

Pursuant to Mont. Code Ann. § 50-4-710, a public hearing shall be held to determine whether the proposed conversion transaction satisfies the requirements set forth under Mont. Code Ann. §§ 50-4-715 and 717. The Commissioner and the Attorney General for the State of Montana have jointly appointed the Honorable W. William Leaphart (Retired) to preside as Hearing Examiner.

The hearing shall be conducted according to the procedures specified in Mont. Code Ann. § 50-4-711. The Applicants, the Commissioner, and the Attorney General may use the discovery procedures provided in Title 25, Chapter 20 of the Montana Code Annotated. The Applicants, the staff of the Commissioner, and the staff of the Attorney General have the right to appear in person or by counsel, present evidence, examine and cross-examine witnesses, and offer oral and written arguments. Corporations may not appear pro se at the hearing. *Continental Realty, Inc. v. Gerry* (1991), 251 Mont. 150, 822 P.2d 1083; *Application of American Smelting and Refining Co.* (1973), 164 Mont. 139, 520 P.2d 103; and *Montana Supreme Court Commission on the Unauthorized Practice of Law v. O'Neil*, 2006 MT 284, 334 Mont. 311, 147 P.3d 200.

The hearing shall be open to the public and recorded. Upon written request timely made by a party and at the party's expense, the Commissioner shall cause a full stenographic record of the proceedings to be made. Any person may file written comments and exhibits or make oral public comments at the hearing. Pursuant to Mont. Code Ann. § 50-4-711(2), oral public comments are not subject to cross-examination without the consent of the person providing the comments. However, the Commissioner and the Attorney General may rely on factual information provided in public comment only if the person providing the public comment consents to cross-examination or the Commissioner or the Attorney General makes a specific finding that the factual information meets the requirements of Rule 804(b)(5) of the Montana Rules of Evidence. *Id.*

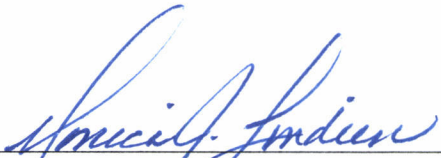
Written comments or inquiries concerning the public hearing should be sent to:

Jesse Laslovich
Office of the Commissioner of Securities and
Insurance, Montana State Auditor
840 Helena Avenue
Helena, MT 59601

Kelley Hubbard
Montana Department of Justice
P.O. Box 201401
Helena, MT 59620-1401

All written comments relating to the Application must be submitted no later than February 8,
2013.

DATED this 3rd day of December, 2012.



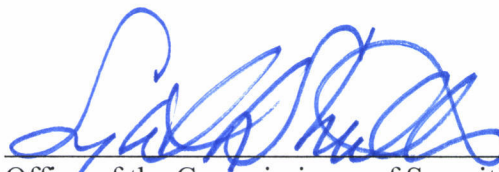
MONICA J. LINDEEN
Commissioner of Securities and Insurance
Montana State Auditor

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served on the 3rd

day of December, 2012, by US mail, first-class postage paid, to the following:

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