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Financial Advisors to the
Official Committee of Unsecured Creditors

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CENTRAL DISTRICT OF CALIFORNIA
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ORIGINAL

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

LOS ANGELES DIVISION

In re: **WATTSHEALTH FOUNDATION, INC. DBA UHP HEALTHCARE, A CALIFORNIA NOT-FOR-PROFIT CORPORATION,** Debtor.	Case Nos. LA 05-22627 TD Chapter 11 **MONTHLY STATEMENT OF FTI CONSULTING, INC. FOR PAYMENT OF FEES AND REIMBURSEMENT OF EXPENSES INCURRED FROM FEBRUARY 1, 2006, TO FEBRUARY 28, 2006**

TO THE HONORABLE THOMAS B. DONOVAN, UNITED STATES BANKRUPTCY JUDGE, AND PARTIES IN INTEREST:

FTI Consulting, Inc. ("FTI"), financial advisors to the Official Committee of Unsecured Creditors (the "Committee") of WATTSHealth Foundation, Inc. dba UHP Healthcare (the "Debtor"), hereby submits its monthly professional fee statement (the "Monthly Statement") for allowance and payment of fees and reimbursable expenses incurred from **February 1, 2006**, through **February 28, 2006** (the "Statement Period"), pursuant to the Order Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals Employed At The Expense Of The Bankruptcy Estate entered by this Court on September 9, 2005 (the "Interim Fee Order"). In support of its Monthly Statement, FTI represents as follows:

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FTI billed a total of $43,348.50 in fees and incurred $536.85 in reimbursable expenses during the Statement Period. A summary of professionals fees by consultant is attached hereto as Exhibit "A". A summary of fees by activity and consultant is attached hereto as Exhibit "B". A detailed listing of time entries is attached hereto as Exhibit "C". A detailed listing of expenses by category is attached hereto as Exhibit "D". The following table summarizes FTI's fees during the Statement Period:

	Professional Fees	**Expenses**	**Total**
Total Fees and Expenses Incurred During the Statement Period	$43,348.50	$536.85	$43,885.35
Less Amount Subject to Holdback (20% of Fees)	($8,669.70)	$0.00	($8,669.70)
Total Fees and Expenses to be Paid Pursuant to this Monthly Statement	**$34,678.80**	**$536.85**	**$35,215.65**

Accordingly, FTI respectfully requests that the Debtors pay FTI a total of $35,215.65 as compensation for services rendered during the Statement Period.

The payment of fees sought in this Monthly Statement is not a final application for fees and expenses in connection with these cases. Upon the conclusion of this case, FTI will seek payment of fees and reimbursement of the expenses incurred for the totality of the services rendered. Any interim fees or reimbursement of expenses approved by this Court and received by FTI will be credited against such final fees and expenses as may be allowed by this Court.

Consistent with the Interim Fee Order, FTI is serving a copy of this Monthly Statement on the Debtor, the Debtor's reorganization counsel, the Committee's counsel, the Department of Managed Healthcare, and the Office of the United States Trustee (the "Notice Parties").

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According to the requirements of the Interim Fee Order, any objection to the Monthly Statement must (i) be in writing, (ii) set forth the precise nature of the objection and the amount of fees and/or expenses to which the objection applies, and (iii) be filed with the Court and served via U.S. Mail on both FTI and each of the Notice Parties within fifteen (15) days after service of the Monthly Fee Statement.

DATED: March 21, 2006

Respectfully submitted,

FTI CONSULTING, INC.

By: _____
MATTHEW PAKKALA
Financial Advisors to the
Official Committee of Unsecured Creditors

Watts Health Foundation Inc.
Summary of FTI Consulting, Inc. Professional Fees By Consultant
For the Period February 1, 2006 Through February 28, 2006

Consultant	Title	Rate	Hours	Total
Greenspan, Ronald	Senior Managing Director	$475	4.8	$2,280.00
Pakkala, Matthew	Managing Director	$475	66.1	$31,397.50
Chung, Walter	Associate	$280	34.2	$9,576.00
Howell, Rheba	Paraprofessional	$95	1.0	$95.00
	Total Hours and Fees		**106.1**	**$43,348.50**

EXHIBIT A

Watts Health Foundation Inc.
Summary of FTI Consulting, Inc. Fees By Activity and Consultant
For the Period February 1, 2006 Through February 28, 2006

Activity/Consultant	Title	Rate	Hours	Total
Asset Disposition				
Pakkala, Matthew	Managing Director	$475	1.0	$475.00
		Activity Total	1.0	$475.00
Cash Flow / Operations Analysis				
Pakkala, Matthew	Managing Director	$475	11.4	$5,415.00
Chung, Walter	Associate	$280	18.0	$5,040.00
		Activity Total	29.4	$10,455.00
Fee/Employment Applications				
Pakkala, Matthew	Managing Director	$475	0.3	$142.50
Howell, Rheba	Paraprofessional	$95	1.0	$95.00
		Activity Total	1.3	$237.50
Creditors' Committee Matters				
Greenspan, Ronald	Senior Managing Director	$475	4.8	$2,280.00
Pakkala, Matthew	Managing Director	$475	21.2	$10,070.00
Chung, Walter	Associate	$280	12.7	$3,556.00
		Activity Total	38.7	$15,906.00
Post-petition Operating Matters/ Business Planning				
Pakkala, Matthew	Managing Director	$475	18.9	$8,977.50
		Activity Total	18.9	$8,977.50
Communications with Debtors and Professionals				
Pakkala, Matthew	Managing Director	$475	8.8	$4,180.00
Chung, Walter	Associate	$280	3.5	$980.00
		Activity Total	12.3	$5,160.00
Liquidation Analysis				
Pakkala, Matthew	Managing Director	$475	2.5	$1,187.50
		Activity Total	2.5	$1,187.50
Medical Claims Reporting /IBNR Analysis				
Pakkala, Matthew	Managing Director	$475	2.0	$950.00
		Activity Total	2.0	$950.00
		Totals	**106.1**	**$43,348.50**

EXHIBIT B

Watts Health Foundation Inc.
FTI Consulting, Inc. Detailed Time and Fee Statement
For the Period February 1, 2006 Through February 28, 2006

Rec #	Consultant	Rate	Date	Hours Billed	Total	Description
Activity Classification: Asset Disposition						
32	Pakkala, Matthew	$475	02/14/2006	1.0	$475.00	Review revised LAC bid and update Committee bid comparison materials.
		Total For Activity		**1.0**	**$475.00**	
Activity Classification: Cash Flow / Operations Analysis						
23	Pakkala, Matthew	$475	02/02/2006	2.5	$1,187.50	Review December cash flow monthly reporting and metrics analysis provided by Debtor.
28	Pakkala, Matthew	$475	02/10/2006	1.5	$712.50	Review changes in cash per internal analysis and draft questions to company re: variance in Medicare premiums, contra-asset cash liability and other unknown change.
7	Chung, Walter	$280	02/22/2006	2.7	$756.00	Review and analyze business plan and model and extract and benchmark assumptions
54	Pakkala, Matthew	$475	02/22/2006	1.0	$475.00	Review and revise enrollment projection model with 4Q results.
8	Chung, Walter	$280	02/23/2006	5.3	$1,484.00	Continue review and analysis of business plan and model.
60	Pakkala, Matthew	$475	02/24/2006	1.5	$712.50	Analyze enrollment growth assumptions and drivers behind assumed Medicare growth; draft notes and questions for meeting.
10	Chung, Walter	$280	02/27/2006	3.0	$840.00	Continue review and analysis of business plan and model.
62	Pakkala, Matthew	$475	02/27/2006	2.3	$1,092.50	Analyze updated model received from A&M and draft additional questions in preparation for meeting with B. Lang (A&M) re: financial projections and business plan.
13	Chung, Walter	$280	02/28/2006	2.8	$784.00	Continue review and analysis of business plan and model.
12	Chung, Walter	$280	02/28/2006	2.2	$616.00	Continue review and analysis of business plan and model.
11	Chung, Walter	$280	02/28/2006	2.0	$560.00	Continue review and analysis of business plan and model.
64	Pakkala, Matthew	$475	02/28/2006	2.6	$1,235.00	Model and revise emergence pre-petition claim values per discussion with A&M; forward summary to B. Lang for review.
		Total For Activity		**29.4**	**$10,455.00**	
Activity Classification: Fee/Employment Applications						
55	Pakkala, Matthew	$475	02/22/2006	0.3	$142.50	Review, approve and execute monthly fee statement.
20	Howell, Rheba	$95	02/23/2006	1.0	$95.00	Preparation, filing and service of January fee statement.
		Total For Activity		**1.3**	**$237.50**	
Activity Classification: Creditors' Committee Matters						
1	Chung, Walter	$280	02/03/2006	0.3	$84.00	Update committee presentation with revised info
2	Chung, Walter	$280	02/06/2006	0.5	$140.00	Update upcoming committee presentation with financials
14	Greenspan, Ronald	$475	02/06/2006	0.1	$47.50	Review minutes of meeting with debtor.
3	Chung, Walter	$280	02/09/2006	2.5	$700.00	Update upcoming committee presentation.

EXHIBIT C

Watts Health Foundation Inc.
FTI Consulting, Inc. Detailed Time and Fee Statement
For the Period February 1, 2006 Through February 28, 2006

Rec #	Consultant	Rate	Date	Hours Billed	Total	Description
Activity Classification: Creditors' Committee Matters						
29	Pakkala, Matthew	$475	02/13/2006	1.8	$855.00	Review and revise financial comments in Committee presentation report for 2/21 meeting.
34	Pakkala, Matthew	$475	02/14/2006	0.3	$142.50	Teleconference with R. Diamond (DGDK) re: LAC offers and Debtor meeting.
33	Pakkala, Matthew	$475	02/14/2006	0.2	$95.00	Draft correspondence to R. Diamond (DGDK) re: bid and timing issues.
4	Chung, Walter	$280	02/15/2006	2.2	$616.00	Reconcile income from product profitability analysis with DMHC filings and research decreasing medical cost detail.
35	Pakkala, Matthew	$475	02/15/2006	0.3	$142.50	Draft response to I. Mieselman (Good Sam) re: POC process and claim discrepancy.
5	Chung, Walter	$280	02/16/2006	2.6	$728.00	Review A&M and Management business overview/plan.
38	Pakkala, Matthew	$475	02/16/2006	0.2	$95.00	Telecon with R. Diamond (DGDK) re: business plan issues and committee meeting.
6	Chung, Walter	$280	02/17/2006	4.6	$1,288.00	Review A&M and Management business overview/plan.
40	Pakkala, Matthew	$475	02/17/2006	3.0	$1,425.00	Draft additional disclosures for upcoming Committee meeting re: POC, e4e/meridian dispute and other operational items.
15	Greenspan, Ronald	$475	02/20/2006	0.3	$142.50	Call with M. Pakkala in preparation for committee meeting.
42	Pakkala, Matthew	$475	02/20/2006	5.1	$2,422.50	Continue drafting of Committee update materials with additional comments on business plan, financials, POC, transaction, liquidation analysis and other agenda items.
44	Pakkala, Matthew	$475	02/20/2006	0.3	$142.50	Draft multiple emails to R. Diamond (DGDK) re: updated bids, forecasts and related assumptions.
18	Greenspan, Ronald	$475	02/21/2006	0.3	$142.50	Follow up with M. Pakkala re debtor's plan.
17	Greenspan, Ronald	$475	02/21/2006	2.5	$1,187.50	Attend creditors' committee meeting (joined late).
16	Greenspan, Ronald	$475	02/21/2006	0.5	$237.50	Review and edit presentation to Committee.
47	Pakkala, Matthew	$475	02/21/2006	4.1	$1,947.50	Prepare for and participate in Creditors Committee meeting to discuss operations, claims, exclusivity and sale status.
45	Pakkala, Matthew	$475	02/21/2006	2.4	$1,140.00	Finalize reporting of Committee update materials with additional comments on business plan, financials, POC, transaction, liquidation analysis and other agenda items.
50	Pakkala, Matthew	$475	02/22/2006	0.4	$190.00	Teleconference with R. Diamond (DGDK) re: Debtor update and DMHC conversation; draft notes to 4pm call re: exclusivity.
53	Pakkala, Matthew	$475	02/22/2006	0.2	$95.00	Teleconference with R. Diamond (DGDK) re: plan status and timing.
19	Greenspan, Ronald	$475	02/23/2006	1.1	$522.50	Participate in committee call.
56	Pakkala, Matthew	$475	02/23/2006	2.0	$950.00	Prepare for and participate in Committee conference call re: exclusivity and reorganization status.
58	Pakkala, Matthew	$475	02/24/2006	0.9	$427.50	Telecon with Good Sam re: stop loss contract provisions and pre-petition proof of claim to identify and quantify disputed claims.
		Total For Activity		**38.7**	**$15,906.00**	

EXHIBIT C

Watts Health Foundation Inc.
FTI Consulting, Inc. Detailed Time and Fee Statement
For the Period February 1, 2006 Through February 28, 2006

Rec #	Consultant	Rate	Date	Hours Billed	Total	Description
Activity Classification: Post-petition Operating Matters/ Business Planning						
24	Pakkala, Matthew	$475	02/03/2006	1.0	$475.00	Review e4e complaint and draft comments to counsel regarding potential impact on sale transaction.
26	Pakkala, Matthew	$475	02/07/2006	3.2	$1,520.00	Research Medicare enrollment, charity cash and contract issues per request of Committee.
27	Pakkala, Matthew	$475	02/08/2006	2.1	$997.50	Analyze enrollment data and draft update to distribute to Committee; research Medicare adds/deletes re: market information.
39	Pakkala, Matthew	$475	02/17/2006	5.0	$2,375.00	Begin review of management plan prepared by UHP management; begin identification of issues and questions requiring further follow-up.
41	Pakkala, Matthew	$475	02/20/2006	2.3	$1,092.50	Continue review of A&M business plan overview (redacted version).
43	Pakkala, Matthew	$475	02/20/2006	0.8	$380.00	Review updates to e4e-Meridian complaint and e-mail responses from Debtor re: UHP vulnerability; review NHMC complaint against Meridian; prepare notes for Committee report.
48	Pakkala, Matthew	$475	02/22/2006	1.8	$855.00	Continue review of A&M business plan overview and update list of questions and issues to forward to UHP and A&M for clarification; design testing of assumptions and financials to measure reasonableness.
61	Pakkala, Matthew	$475	02/24/2006	2.7	$1,282.50	Continue review of UHP & A&M business plans, focus on admin and outsourcing assumptions, MLRs and continued analysis on PMPMs.
		Total For Activity		**18.9**	**$8,977.50**	
Activity Classification: Communications with Debtors and Professionals						
22	Pakkala, Matthew	$475	02/02/2006	0.2	$95.00	Draft correspondence to AnnMarie (A&M) re: profitability analysis.
21	Pakkala, Matthew	$475	02/02/2006	0.1	$47.50	Teleconference with N. Schultz (Stutman) re: PoC process.
25	Pakkala, Matthew	$475	02/06/2006	0.3	$142.50	Telecon with AnnMarie (A&M) re: data issues and claims adjudication.
30	Pakkala, Matthew	$475	02/14/2006	0.4	$190.00	Multiple e-mail correspondence with AnnMarie (A&M) and B. Lang (A&M) re: financial request, operational status and sale process.
31	Pakkala, Matthew	$475	02/14/2006	0.2	$95.00	E-mail to R. McCarthy and AnnMarie re: sale status and profitability reports.
36	Pakkala, Matthew	$475	02/15/2006	0.4	$190.00	Draft multiple emails to N. Schultz and B. Lang re: meeting, reorganization status and POC process.
37	Pakkala, Matthew	$475	02/16/2006	0.7	$332.50	Participate in teleconference with B. Lang (A&M) and Stutman re: sale process and timing.
51	Pakkala, Matthew	$475	02/22/2006	0.6	$285.00	Participate on conference call with counsels re: issues and timing of plans.
52	Pakkala, Matthew	$475	02/22/2006	1.0	$475.00	Conference with B. Lang (A&M) re: plan and assumptions.
49	Pakkala, Matthew	$475	02/22/2006	0.1	$47.50	Draft e-mail to AnnMarie re: business plan and timing.
59	Pakkala, Matthew	$475	02/24/2006	0.4	$190.00	Telecon with AnnMarie re: assumptions and information requests.
9	Chung, Walter	$280	02/27/2006	3.5	$980.00	Participat in model meeting with A&M.

EXHIBIT C

Watts Health Foundation Inc.
FTI Consulting, Inc. Detailed Time and Fee Statement
For the Period February 1, 2006 Through February 28, 2006

Rec #	*Consultant*	*Rate*	*Date*	*Hours Billed*	*Total*	*Description*
Activity Classification: Communications with Debtors and Professionals						
63	Pakkala, Matthew	$475	02/27/2006	4.2	$1,995.00	Meeting with B. Lang (A&M) re: business plan analysis.
65	Pakkala, Matthew	$475	02/28/2006	0.2	$95.00	Telecons with AnnMarie re: selection and metrics.
		Total For Activity		**12.3**	**$5,160.00**	
Activity Classification: Liquidation Analysis						
46	Pakkala, Matthew	$475	02/21/2006	2.5	$1,187.50	Review updated liquidation analysis, revise TNE calculations and emergence estimates and drafts narratives for slides for Committee meeting.
		Total For Activity		**2.5**	**$1,187.50**	
Activity Classification: Medical Claims Reporting /IBNR Analysis						
57	Pakkala, Matthew	$475	02/23/2006	2.0	$950.00	Analyze samples large dollar claims for selected hospitals for pre- and post-petition period as provided by AnnMarie (A&M); analyze adjudication based on contractual provisions and note changes in adjudication practice and timing; quantify potential pre-p
		Total For Activity		**2.0**	**$950.00**	
Grand Total of Hours and Fees				**106.1**	**$43,348.50**	

C

Watts Health Foundation Inc.
FTI Consulting, Inc. Expense Detail
For the Period February 1, 2006 Through February 28, 2006

Consultant	*Date*	*Amount*	*Description of Expense*
Expense Type: Electronic Subscriptions			
Greenspan, Ronald	02/06/2006	$14.56	Pacer Service Center Ref: Wattshealth 182 pages
Total For Expense Type		$14.56	
Expense Type: Express Mail			
Howell, Rheba	01/27/2006	$6.50	Federal Express FTI Financial Services to Rheba Howell
Howell, Rheba	02/17/2006	$7.81	Federal Express to United States Bankruptcy Department
Howell, Rheba	02/23/2006	$7.81	Federal Express to United States Bankruptcy Department
Howell, Rheba	02/27/2006	$6.53	Federal Express to Rheba Howell
Total For Expense Type		$28.65	
Expense Type: Meals			
Pakkala, Matthew	02/21/2006	$408.64	Lunch charge for working meal during Committee meeting at FTI offices
Total For Expense Type		$408.64	
Expense Type: Miscellaneous Expenses			
Greenspan, Ronald	01/23/2006	$78.50	American Legal Support Services, Inc US Bankruptcy Court LA, CA
Total For Expense Type		$78.50	
Expense Type: Postage			
Howell, Rheba	02/03/2006	$6.50	Postage - Federal Express US Bankruptcy Court to Rheba Havell
Total For Expense Type		$6.50	
GRAND TOTAL:		**$536.85**	

EXHIBIT D

PROOF OF SERVICE
STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a part to the within action; my business address is 633 West Fifth St., Suite 1600, Los Angeles, California 90071.

On March 21, 2006, I served the foregoing document described as MONTHLY STATEMENT OF FTI CONSULTING, INC. FOR PAYMENT OF FEES AND REIMBURSEMENT OF EXPENSES INCURRED FROM FEBRUARY 1, 2006, TO FEBRUARY 28, 2006, on the interested parties of record in the action by:

[X] placing true copies thereof enclosed in sealed envelopes addressed as stated on the attached mailing list:

[ ] placing ___ the original ___ a true copy thereof enclosed in sealed envelopes addressed as follows:

[ ]	TELECOPY SERVICE	I caused the foregoing document to be sent via telecopier to the addressees as indicated on the attached service list. I am readily familiar with this company's practice of sending documents by facsimile. Under that practice, a cover sheet is prepared showing the telephone number of the recipient. The facsimile telephone number is shown on the attached service list. The documents were sent via facsimile and a confirmation was obtained from the facsimile machine that the transmission occurred without error.
[X]	MAIL	I caused such envelope to be deposited in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.
[ ]	FEDERAL EXPRESS	I placed such envelope for collection for Federal Express on this date following ordinary business practices.

I am readily familiar with the firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. Postal Service on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than 1 day after date of deposit for mailing in affidavit.

[ ]	HAND DELIVERY	I caused such envelope to be delivered by hand by courier service to the offices of the addressees following ordinary business practice.

[ ]	(State)	I declare under penalty of perjury under the laws of the State of California that the above is true and correct.
[X]	(Federal)	I declare under penalty of perjury under the laws of the United States of America that the above is true and correct.

Executed on March 21 2006, at Los Angeles, California.

Rheba Howell
RHEBA HOWELL

SERVICE LIST
In re: WATTSHealth Foundation, Inc. dba UHP Healthcare

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