

IN THE SUPREME COURT OF THE STATE OF NEVADA

STATE OF NEVADA, EX REL.
COMMISSIONER OF INSURANCE,
BARBARA D. RICHARDSON, IN HER
OFFICIAL CAPACITY AS RECEIVED
FOR SPIRIT COMMERCIAL AUTO
RISK RETENTION GROUP, INC

Petitioner,

v.

THE EIGHTH JUDICIAL DISTRICT
COURT OF THE STATE OF
NEVADA, IN AND FOR THE
COUNTY OF CLARK, AND THE
HONORABLE, MARK R. DENTON,
DISTRICT JUDGE, DEPT. 13

Respondents,

And Concerning,

THOMAS MULLIGAN, an individual; CTC
TRANSPORTATION INSURANCE
SERVICES OF MISSOURI, LLC, a Missouri
Limited Liability Company; CTC
TRANSPORTATION INSURANCE
SERVICES LLC, a California Limited Liability
Company; CTC TRANSPORTATION
INSURANCE SERVICES OF HAWAII LLC,
Hawaii Limited Liability Company;
CRITERION CLAIMS SOLUTIONS OF
OMAHA, INC., a Nebraska Corporation;
PAVEL KAPELNIKOV, an individual;
CHELSEA FINANCIAL GROUP, INC., a
California Corporation; CHELSEA
FINANCIAL GROUP, INC., a Missouri
Corporation; CHELSEA FINANCIAL
GROUP, INC., a New Jersey Corporation d/b/a

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Elizabeth A. Brown
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Supreme Court Case No.:

Dist. Ct. Case No.: **A-20-809963-B**

PETITIONER'S APPENDIX

Volume VII (APP1317-1466)

CHELSEA PREMIUM FINANCE CORPORATION; FOURGOREAN CAPITAL, LLC, a New Jersey Limited Liability Company; KAPA MANAGEMENT CONSULTING, INC. a New Jersey Corporation; KAPA VENTURES, INC., a New Jersey Corporation; GLOBAL FORWARDING ENTERPRISES LIMITED LIABILITY COMPANY, a New Jersey Limited Liability Company; NEW TECH CAPITAL, LLC, a Delaware Limited Liability Company; LEXICON INSURANCE MANAGEMENT LLC, a North Carolina Limited Liability Company; ICAP MANAGEMENT SOLUTIONS, LLC, a Vermont Limited Liability Company; SIX ELEVEN LLC, a Missouri Limited Liability Company; 10-4 PREFERRED RISK MANAGERS INC., a Missouri Corporation; IRONJAB LLC, a New Jersey Limited Liability Company; YANINA G. KAPELNIKOV, an individual; IGOR KAPELNIKOV, an individual; QUOTE MY RIG LLC, a New Jersey Limited Liability Company; MATTHEW SIMON, an individual; DANIEL GEORGE, an individual; JOHN MALONEY, an individual; JAMES MARX, an individual; CARLOS TORRES, an individual; VIRGINIA TORRES, an individual; SCOTT McCRAE, an individual; BRENDA GUFFEY, an individual; and 195 GLUTEN FREE LLC, a New Jersey Limited Liability Company,

Real Parties in Interest,

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I	APP0140-206	4/2/20	Defendant Daniel George's Answer to Complaint
II	APP0207-268	4/2/20	Defendant ICAP Management Solutions, LLC's Answer to Complaint
II	APP0269-282	4/2/20	Defendant James Marx's Answer to Complaint
II	APP0283-344	4/2/20	Defendant Lexicon Insurance Management, LLC's Answer to Complaint
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II	APP0381-394	4/17/20	Answer to Complaint on behalf of Carlos Torres and Virginia Torres
II	APP0395-408	5/13/20	Defendant John Maloney's Answer to Complaint
II	APP0409-425	5/14/20	Defendant Thomas Mulligan's Answer to Complaint
II	APP0426-451	5/14/20	Answer to Complaint filed by Defendants Six Eleven, et al.,
III	APP0452-475	5/14/20	Defendant Criterion's Motion to Compel Arbitration
III	APP0476-536	5/14/20	CTC Defendants' Motion to Compel Arbitration
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V	APP0996	7/6/20	Minute Order re CTC Defendants' Motion to Compel Arbitration
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VI	APP1139-1159	8/25/20	Matthew Simon, Jr.'s Answer to Complaint
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CERTIFICATE OF SERVICE

Pursuant to NRAP 25,1 certify that I am an employee of GREENBERG TRAURIG, LLP, that in accordance therewith, that on April 1, 2021, I caused a copy of *Petitioner's Appendix* to be served via U.S. Mail, first class postage prepaid, and via the 8th Judicial District Court's e-service system, upon the below identified Real Parties:

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With a courtesy copy to

Judge Mark R. Denton
Eighth Judicial District Court
Clark County, Nevada
Regional Justice Center
200 Lewis Avenue
Las Vegas, NV 89155

via email on April 1, 2021 to Dept13lc@clarkcountycourts.us

/s/ Andrea Lee Rosehill
An Employee of Greenberg Traurig LLP



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DISTRICT COURT

CLARK COUNTY, NEVADA

BARBARA D. RICHARDSON IN HER
CAPACITY AS STATUTORY RECEIVER
FOR SPIRIT COMMERCIAL AUTO RISK
RETENTION GROUP, INC.,

Plaintiff,

vs.

THOMAS MULLIGAN, an individual; CTC
TRANSPORTATION INSURANCE
SERVICES OF MISSOURI, LLC, a Missouri
Limited Liability Company; CTC
TRANSPORTATION INSURANCE
SERVICES LLC, a California Limited
Liability Company; CTC
TRANSPORTATION INSURANCE
SERVICES OF HAWAII LLC, a Hawaii
Limited Liability Company; CRITERION
CLAIMS COLUTIONS OF OMAHA, INC., a
Nebraska Corporation; PAVEL
KAPELNIKOV, an individual; CHELSEA
FINANCIAL GROUP, INC., a California
Corporation; CHELSEA FINANCIAL
GROUP, INC., a Missouri Corporation;
Chelsea financial group, Inc., a New Jersey
Corporation d/b/a CHELSEA PREMIUM
FINANCE CORPORATION; CHELSEA
FINANCIAL GROUP, INC., a Delaware

CASE NO.: A-20-809963-B

DEPT. NO.: 13

**DEFENDANT THOMAS MULLIGAN'S
REPLY IN SUPPORT OF JOINDER TO
MOTION TO STAY PENDING
ARBITRATION**

Date of Hearing: September 21, 2020

Time of Hearing: 9:00 a.m.

JOLLEY URGA | attorneys
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Corporation; CHELSEA HOLDING COMPANY, LLC, a Nevada Limited Liability Company; CHELSEA HOLDINGS, LLC, a Nevada Limited Liability Company; FOURGOREAN CAPITAL, LLC, a New Jersey Limited Liability Company; KAPA MANAGEMENT CONSULTING, INC. a New Jersey Corporation; KAPA VENTURES, INC., a New Jersey Corporation; GLOBAL FORWARDING ENTERPRISES LIMITED LIABILITY COMPANY, a New Jersey Limited Liability Company; GLOBAL CAPITAL GROUP, LLC, a New Jersey Limited Liability Company; GLOBAL CONSULTING; NEW TECH CAPITAL, LLC, a Delaware Limited Liability Company; LEXICON INSURANCE MANAGEMENT LLC, a North Carolina Limited Liability Company; ICAP MANAGEMENT SOLUTIONS, LLC, a Vermont Limited Liability Company; SIX ELEVEN LLC, a Missouri Limited Liability Company; 10-4 PREFERRED RISK MANAGERS INC., a Missouri Corporation; IRONJAB LLC, a New Jersey Limited Liability Company; YANINA G. KAPELNIKOV, an individual; IGOR KAPELNIKOV, an individual; QUOTE MY RIG LLC, a New Jersey Limited Liability Company; MATTHEW SIMON, an individual; CARLOS TORRES, an individual; VIRGINIA TORRES, an individual; SCOTT McCRAE, an individual; BRENDA GUFFEY, an individual; 195 GLUTEN FREE LLC, a New Jersey Limited Liability Company, DOE INDIVIDUALS I-X; and ROE CORPORATE ENTITIES I-X,

Defendants.

After reading Plaintiff's Opposition to the Six Eleven Defendants' Motion to Stay Pending Arbitration and the joinders thereto, one might be left with the impression that each of the more than thirty defendants independently committed wrongful acts against Spirit and that each defendant's wrongful conduct has nothing to do with the wrongful conduct of any other defendant. Indeed, Plaintiff asserts as much in her Opposition: "the Receiver could have filed

1 separate complaints against the Filing Defendants. . .” Opposition to Motion to Stay filed
2 September 11, 2020, 22:8-9. Therefore, Plaintiff concludes that a stay of this litigation while the
3 arbitrations against CTC and Criterion conclude is not warranted.

4 Of course, Plaintiff’s characterization of independent wrongs committed by each
5 defendant is completely contrary not only to statements she has made in various briefs filed with
6 this Court, but also to the allegations of the Complaint themselves. The Complaint goes on at
7 length to paint a picture of a vast fraudulent enterprise of interrelated companies and individuals
8 who worked together to defraud Spirit of money. *See generally* Complaint. The story told in the
9 Complaint is not one of thirty-plus separate fraudulent enterprises, but a single one with CTC as
10 the “hub of the wheel” and the other defendants as the “spokes.” To be sure, in her Opposition,
11 Plaintiff alleges that “[t]he allegations in the Complaint arise from a vast fraudulent enterprise by
12 which the defendants operated a multitude of interrelated companies in the insurance service
13 industry for their own benefit and to the detriment of Spirit.” Opposition, 2:11-13. In fact, the
14 reason Plaintiff herself gave for not filing separate lawsuits against the defendants was because
15 of the “interplay” between them and the claims asserted against them. *Id.*, 22:11-12.

16 Plaintiff’s attempt to minimize and distort her own allegations should be ignored and not
17 countenanced and do not, in any event, provide a sound basis for this Court to move forward
18 with this litigation now. Moreover, her claim that this lawsuit must proceed now because time is
19 of the essence for creditors of the Receivership Estate is belied by her own recent attempt to
20 significantly extend the deadline for filing proofs of claim in that proceeding. Opposition, 5:7-9.
21 Instead, considerations of prudence and judicial economy dictate that this Court should exercise
22 its discretion to allow the arbitrations against CTC and Criterion to conclude before proceeding
23 with this litigation.

24 **A. Mulligan Did Not Waive Any Rights to Assert the Interrelated Nature of Plaintiff’s**
25 **Claims by Staying Neutral on the Motions to Compel Arbitration.**

26 Throughout her Opposition, Plaintiff tries to make hay from the fact that Mulligan
27 neither supported nor opposed CTC or Criterion’s Motions to Compel Arbitration. Plaintiff
28 contends that Mulligan somehow waived rights by failing to interject in those proceedings and

1 raising issues of prejudice or harm there. Opposition, 6:9-13, 14:5-12, 22:26-27:2. Plaintiff also
2 snarkily suggests that Mulligan should stipulate to joint and several liability with CTC and
3 Criterion because he argued that the claims against him are inextricably intertwined with those
4 against CTC and Criterion. Opposition, 7:15-23. Plaintiff's thesis in this regard apparently is that
5 since CTC and Criterion argued that all claims asserted against them are subject to arbitration,
6 the remaining defendants would have spoken up during the Motion to Compel proceedings if
7 they truly believed that the claims asserted against them were inextricably intertwined with those
8 heading to arbitration.

9 Plaintiff's purposeful misdirection misses the mark. As this Court found, CTC and
10 Criterion have enforceable agreements to arbitrate claims with Spirit. Mulligan is not a signatory
11 to those agreements. CTC and Criterion filed motions to enforce their arbitration rights under
12 those agreements. Mulligan certainly cannot be found to have waived legal rights by staying
13 neutral on the enforceability of a contract he is not a signatory to. Opposition, 14:5-12 (arguing
14 that Mulligan waived his rights by staying silent when the motions to compel arbitration were
15 filed).

16 Plaintiff further contends that the defendants cannot deny that they engaged in
17 wrongdoing while at the same time contending that the claims against them are inextricably
18 intertwined with those subject to arbitration. *See, e.g.*, Opposition, 10:23-11:5. Why not? It is
19 certainly not wrong for a defendant to acknowledge he understands the nature of the claims
20 asserted against him, deny the wrongful conduct alleged in the claims, and also point out that the
21 claims asserted against him is inextricably intertwined with those asserted against other
22 defendants – including defendants who were dismissed from the case. It appears, however, that
23 Plaintiff believes that the defendants must first accept liability before being granted the right to
24 discuss the interrelated nature of the claims asserted against them. Not so. It is certainly possible
25 for a party to understand the nature of the claims asserted against him and how those claims
26 relate to claims asserted against codefendants and also deny any wrongdoing.

27 ///

28 ///

B. The Claims Against All Defendants Are Inextricably Intertwined.

It cannot seriously be disputed that the central wrong in this case is Plaintiff's allegation that CTC wrongfully siphoned more than \$40 million from Spirit. Because of an agreement between Spirit and CTC, the claims against CTC must be arbitrated. The same is true of the claims against Criterion.

It also cannot seriously be disputed that the claims against the remaining defendants are that they either orchestrated the scheme by which CTC allegedly took Spirit's money, operated Spirit in a manner that allowed CTC's allegedly wrongful conduct, or were the recipients of money CTC allegedly took from Spirit. These claims certainly arise out of CTC's conduct and, as such, are inextricably intertwined with it. Plaintiff herself was forthright about this when opposing CTC's Motion to Compel:

Nearly every fraudulent and unlawful act the Receiver has identified was transacted by or with the knowledge of CTC. Put simply, CTC is a star witness. And whether CTC remains a party to this case or becomes a third party, trying the issues in this matter, even as they relate to the Receiver's claims against the other Defendants, will require significant discovery of relevant information in CTC's possession, custody, or control.

Plaintiff's Opposition to CTC Defendants' Motion to Compel Arbitration filed June 4, 2020, 29:2-6.

This quoted language is in stark contrast to the arguments raised in Plaintiff's Opposition to the Motion to Stay wherein she claims that the notion that the claims against the remaining defendants are intertwined with or dependent upon those asserted against CTC is "false." Opposition, 22:2-4. Plaintiff even goes so far as to state that "different, not identical facts, will be explored in discovery herein" and that "the discovery here will not focus on the same conduct and the [same] operative facts" as discovery in the arbitrations. Opposition, 25:12-13, 17.

As support for this contention, Plaintiff points out the so-called "independent bases" for the claims to proceed against the remaining defendants. Of course, the issue here is not whether the claims against the remaining defendants *can*, as a matter of law, proceed; rather, it is a question of whether they *should* at this time. Nevertheless, Plaintiff outlines the independent

1 bases against the remaining defendants on pages 23-24 of her Opposition. But none of those
2 “independent bases” are independent at all (and some are not even allegations of wrongdoing).

3 Instead, what Plaintiff has done is attempt to show that allegedly receiving
4 misappropriated funds can exist independent of allegations concerning the misappropriation of
5 funds. For instance, Plaintiff references her allegations that the Six Eleven Defendants and
6 members of the Kapelnikov Group collected Spirit’s money. Opposition, 23:17-23. That, in
7 itself, is not an allegation of any sort of wrongful conduct. Rather, what Plaintiff alleges in the
8 Complaint (but ignores here) is the allegation that CTC wrongfully took money from Spirit and
9 then CTC wrongfully transferred the money to the other defendants. There is no allegation that
10 these defendants wrongfully took any money from Spirit, only that they are the recipients of
11 money that CTC is alleged to have wrongfully taken. It stands to reason that whether CTC did,
12 in fact, wrongfully take money from Spirit and transfer it to the remaining defendants is an
13 integral part of the claims asserting that the remaining defendants received money that CTC
14 wrongfully took from Spirit.

15 Similarly, Plaintiff claims that Mulligan was the mastermind of a scheme to loot Spirit.
16 Opposition, 24:18. But nowhere in the Complaint is there an allegation that Mulligan himself
17 wrongfully took money from Spirit. Instead, the allegation is that he orchestrated the scheme by
18 which CTC allegedly took the money and that he was the recipient of money from CTC.
19 Whether CTC did, in fact, engage in the scheme Mulligan supposedly designed and whether
20 CTC did, in fact, transfer ill-gotten funds to Mulligan is integral to the issue of whether Mulligan
21 could be liable for designing the scheme or receiving misappropriated funds.

22 Plaintiff’s other contentions in her Opposition that the remaining defendants are
23 independently liable solely because they were officers or directors of various companies,
24 because they participated in the affairs of Spirit, because they had fiduciary duties to Spirit, or
25 because they served as Spirit’s Risk Retention Manager are not bases for liability at all. Proof of
26 this is found in the Complaint, where Plaintiff alleges that the various defendants are liable
27 because they either designed the scheme whereby CTC allegedly took Spirit’s money, managed
28

1 Spirit in a way that allowed CTC to take its money, or received money from CTC that it took
2 from Spirit.

3 Accordingly, while the intertwined nature of the claims is not and was not a basis to
4 disregard the contracted-for arbitration agreements between Spirit and CTC and Spirit and
5 Criterion, it is a basis for the Court to exercise its discretion to allow those arbitrations to
6 conclude before proceeding with this litigation.¹

7 **C. A Stay is in the Best Interest of the Parties and Spirit’s Creditors.**

8 Plaintiff contends that a stay would result in damage to it by delaying Plaintiff’s (in her
9 role as the Receiver) ability to recover funds on behalf of Spirit’s creditors. Opposition, 17:4-5.
10 But it is Plaintiff who is seeking to delay not only payment but also the processing of creditors’
11 claims. On November 6, 2019, orders were entered in Case No. A-19-787325-B (the
12 “Receivership Action”) placing Spirit into liquidation and setting a claims deadline of October
13 31, 2020 – nearly one year in the future. On August 27, 2020, the Receiver filed a motion in the
14 Receivership Action seeking to extend that deadline a further seven months until May 31, 2021.

15 Despite seeking this delay, Plaintiff contends that a stay would harm Spirit’s creditors by
16 delaying the Receiver’s ability to recover funds for injured parties and that many claimants
17 “have already expressed frustration regarding the deadlines in place.” Of course, it is Plaintiff
18 who has set and sought to delay and extend those deadlines.

19 On the other hand, a stay will preserve resources that Plaintiff would otherwise be
20 spending on this litigation. Indeed, it was Plaintiff herself who argued that arbitration with CTC
21 should not be compelled because doing so would multiply Plaintiff’s costs and undermine her
22 role as conservator of Spirit’s assets. *See* Opposition to CTC’s Motion to Compel Arbitration,
23 29:12-24. This is especially so given that Plaintiff claims that she is trying to maximize recovery
24

25 ¹ In her Opposition, Plaintiff claims that when it compelled arbitration, this Court found and determined that CTC
26 and Criterion and potentially other defendants “acted in concert to pillage Spirit of its assets and are, or were,
27 controlled by the same person or group.” Opposition, 23:6-12. Plaintiff argues that such findings render moot any
28 contention regarding the interrelatedness of claims.

Of course, no factual findings regarding the merits of Plaintiff’s allegations have yet been made in this case and it is
simply wrong for Plaintiff to suggest otherwise.

1 for creditors by seeking to recoup unlawful transfers made to various Filing Defendants.
2 Opposition to Motion to Stay, 18:23-19:7.

3 The unlawful transfers Plaintiff references are transfers of money CTC allegedly
4 misappropriated from Spirit and paid to the defendants. In other words, Plaintiff believes it
5 benefits Spirit's creditors to use Spirit's resources to *first* establish that the Filing Defendants
6 received money from CTC and *later* establish that the money transferred to those defendants was
7 wrongfully misappropriated. Nothing in Plaintiff's Complaint has yet been established as fact.
8 Plaintiff must still not only prove that money was misappropriated from Spirit, the identity of
9 that wrongdoer, and that the wrongdoer unlawfully transferred that money to the defendants. It
10 makes little sense to do that in reverse order.

11 Moreover, Plaintiff's claim that the Filing Defendants "feign concern for the best
12 interests of the Receiver" is simply not true. Opposition, 21:16-17. Mulligan would love nothing
13 more than for the Receiver to be able to pay all claims without needing to look to the Defendants
14 for funding. Accordingly, far from harming either Plaintiff or Spirit's creditors, a stay would
15 ostensibly benefit them. *RB Prod., Inc. v. Ryze Capital, LLC*, No. 3:19-CV-00105-MMD-WGC,
16 2019 WL 5722205, at *3 (D. Nev. Nov. 4, 2019) (finding that the Plaintiff did not show how it
17 would be prejudiced by a stay and noting that it would actually benefit from the stay).

18 **D. Mulligan Will Suffer Hardship If A Stay Is Not Granted.**

19 Plaintiff attempts to minimize the hardships Mulligan and the other Filing Defendants
20 asserted, but those hardships are the exact types of hardships other courts found sufficient to
21 impose a stay. Moreover, Plaintiff has not shown that every factor a court must weigh must be
22 overwhelmingly found in the movant's favor. Rather, courts "must weigh competing interests
23 and maintain an even balance." *Id. (citing Landis v. N. Am. Co., 299 U.S. 248, 254, 57 S. Ct.*
24 *163, 166, 81 L. Ed. 153 (1936))*.

25 As other courts recognize, in cases such as this, the results of the arbitration will inform
26 this Court on matters at issue in this litigation even if those results are not binding. *RB Prod.,*
27 *Inc., 2019 WL 5722205, at *3, Wells Fargo Clearing Servs., LLC v. Foster*, No. 3:18-CV-
28 00032-MMD-VPC, 2018 WL 1746307, at *3 (D. Nev. Apr. 11, 2018) (issuing a stay pending

1 arbitration, finding that the results of the arbitration would likely “narrow if not eliminate issues
2 before this Court.”).

3 Proceeding with litigating claims here when that litigation could otherwise benefit from
4 the findings of the arbitrations with CTC, Criterion, and Spirit is a hardship to all parties,
5 including the Plaintiff. It costs nothing to wait and obtain the benefits of the results of the
6 arbitrations. The expense of proceeding, however, will be immense.

7 Plaintiff’s argument regarding piecemeal litigation also misses the mark. Opposition,
8 21:9-15. This is not an issue of whether the litigation *could* proceed; rather, it is whether the
9 litigation *should* proceed. The case Plaintiff cited in this regard is unavailing. In *Riley Mfg. Co.*
10 *v. Anchor Glass Container Corp.*, 157 F.3d 775, 785 (10th Cir. 1998), the court was confronted
11 with an arbitration agreement between a single plaintiff and single defendant. The court found
12 that certain of the claims could be arbitrated and, upon remand, directed the district court to
13 consider whether a stay should be issued on the claims that would remain to be litigated. In
14 doing so, the court recognized that broad stay orders are appropriate if the arbitrable claims
15 predominate the lawsuit while also recognizing that litigation could proceed in a piecemeal
16 fashion if the parties intended that some matters, but not others, be arbitrated. Here, of course,
17 Mulligan did not enter into any agreement with Plaintiff regarding arbitration or whether claims
18 should be litigated in a piecemeal fashion. And there can be no serious dispute but that the
19 claims against CTC predominate Plaintiff’s Complaint.

20 **E. A Stay Will Promote Judicial Economy.**

21 Plaintiff’s entire argument that a stay will not promote judicial economy is based on the
22 false premise that the claims against CTC and Criterion are not inextricably intertwined with
23 those against the remaining defendants. While previously referring to CTC as the hub of a wheel
24 at the center of the scheme causing the insolvency of Spirit, Plaintiff now purports to portray the
25 claims against CTC as wholly independent and unrelated to any of the remaining defendants’
26 alleged conduct. As shown above and below, Plaintiff is wrong and her arguments show a lack
27 of understanding of her own claims.

1 Determining whether the claims of the parties are inextricably intertwined is as simple as
2 asking what would be the liability of the Filing Defendants if CTC and/or Criterion had not
3 misappropriated and transferred Spirit's money. Mulligan is alleged to have designed the scheme
4 by which CTC misappropriated Spirit's money and transferred it to others. But if CTC did not,
5 in fact, misappropriate money, what liability could Mulligan have based on allegations that he
6 devised a scheme that was not, in fact, acted upon? And if CTC did not, in fact, wrongfully
7 transfer any of Spirit's money to Mulligan or to others on his behalf, what liability could
8 Mulligan have based on allegations that he was the unlawful recipient of that money?

9 The cases cited in Mulligan's joinder are on point and were not addressed or
10 distinguished in Plaintiff's Opposition. Cases such as *Bischoff v. DirectTV, Inc.*, 180 F.Supp.2d
11 1097 (C.D. Cal. 2017) and *RB. Prod., Inc. v. Ryze Capital, LLC* recognize the benefits to judicial
12 economy that a stay affords in cases where the issues of fact and law addressed in the arbitration
13 will be similar to those in the litigation.

14 Plaintiff's contention that the claims against each of the defendants are wholly unrelated
15 to each other and were only brought in the same lawsuit to highlight the "interplay" between
16 them is not based in reality. Such a contention, which flies in the face of the allegations in the
17 Complaint as well as Plaintiff's repeated past statements regarding the interconnected nature of
18 the claims and the parties should, at a minimum, shed doubt on all of the assertions and
19 arguments set forth in her present Opposition.

20 Simply put, there can be no serious dispute that the claims and allegations against the
21 CTC Defendants and Criterion are at the heart of this case. Every other defendant is alleged to
22 have participated in orchestrating the CTC Defendants' and Criterion's alleged wrongdoing,
23 failing to act to prevent it, or benefitting from the wrongdoing. Plaintiff herself acknowledges as
24 much when she identifies the CTC Defendants as the hub of the wheel at the center of this
25 "scheme." That being the case, considerations of judicial economy dictate that the litigation
26 pending against the "spokes" should be stayed pending conclusion of the arbitration against the
27 "hub."

28 ///

CONCLUSION

Based on the foregoing and the Motion, Mulligan respectfully requests that this case be stayed pending conclusion of the arbitration proceedings between Plaintiff and the CTC Defendants and Plaintiff and Criterion.

DATED this 16th day of September, 2020.

JOLLEY URG & HOLTHUS

By: /s/ William R. Urga
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David J. Malley, Esq., #8171
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330 S. Rampart Blvd., Suite 380
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Attorneys for Defendant Thomas Mulligan

CERTIFICATE OF SERVICE

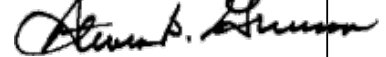
I hereby certify that I am employed in the County of Clark, State of Nevada, am over the age of 18 years and not a party to this action. My business address is Jolley Urga Woodbury & Holthus, 330 S. Rampart Boulevard, Suite 380, Las Vegas, Nevada 89145.

On this day I served the **DEFENDANT THOMAS MULLIGAN'S REPLY IN SUPPORT OF JOINDER TO MOTION TO STAY ARBITRATION** was served electronically using the Odyssey eFileNV Electronic Filing system and serving all parties with an email address on record, pursuant to Administrative Order 14-2 and Rule 9 of the N.E.F.C.R.

The date and time of the electronic proof of service is in place of the date and place of deposit in the U.S. Mail.

Dated this 16th day of September, 2020.

/s/ Linda Schone
An employee of Jolley Urga Woodbury & Holthus



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*Attorneys for Lexicon Insurance Management, LLC
Daniel George and ICAP Management Solutions LLC*

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

BARBARA D. RICHARDSON IN HER
CAPACITY AS THE STATUTORY RECEIVER
FOR SPIRIT COMMERCIAL AUTO RISK
RETENTION GROUP, INC.,

Plaintiff,

vs.

THOMAS MULLIGAN, an individual; CTC
TRANSPORTATION INSURANCE SERVICES OF
MISSOURI, LLC, a Missouri Limited Liability
Company; CTC TRANSPORTATION
INSURANCE SERVICES LLC, a California
Limited Liability Company; CTC
TRANSPORTATION INSURANCE SERVICES OF
HAWAII LLC, a Hawaii Limited Liability
Company; CRITERION CLAIMS SOLUTIONS OF
OMAHA, INC., a Nebraska Corporation; PAVEL
KAPELNIKOV, an individual; CHELSEA
FINANCIAL GROUP, INC., a California
Corporation; CHELSEA FINANCIAL GROUP,
INC., a Missouri Corporation; CHELSEA
FINANCIAL GROUP, INC., a New Jersey
Corporation d/b/a CHELSEA PREMIUM FINANCE
CORPORATION; CHELSEA FINANCIAL
GROUP, INC., a Delaware Corporation; CHELSEA
HOLDING COMPANY, LLC, a Nevada Limited
Liability Company; CHELSEA HOLDINGS, LLC,
a Nevada Limited Liability Company;
FOURGOLEAN CAPITAL, LLC, a New Jersey

Case No.: A-20-809963-B
Dept. No.: 13

**LEXICON INSURANCE
MANAGEMENT LLC, ICAP
MANAGEMENT SOLUTIONS,
LLC, AND DANIEL GEORGE'S
REPLY IN SUPPORT OF
MOTION TO STAY PENDING
ARBITRATION AND JOINDER
THERE TO**

Date of Hearing: 9/21/2020

Time of Hearing: 9:00 a.m.

Limited Liability Company; KAPA MANAGEMENT CONSULTING, INC. a New Jersey Corporation; KAPA VENTURES, INC., a New Jersey Corporation; GLOBAL FORWARDING ENTERPRISES LIMITED LIABILITY COMPANY, a New Jersey Limited Liability Company; GLOBAL CAPITAL GROUP, LLC, a New Jersey Limited Liability Company; GLOBAL CONSULTING; NEW TECH CAPITAL, LLC, a Delaware Limited Liability Company; LEXICON INSURANCE MANAGEMENT LLC, a North Carolina Limited Liability Company; ICAP MANAGEMENT SOLUTIONS, LLC, a Vermont Limited Liability Company; SIX ELEVEN LLC, a Missouri Limited Liability Company; 10-4 PREFERRED RISK MANAGERS INC., a Missouri Corporation; IRONJAB LLC, a New Jersey Limited Liability Company; YANINA G. KAPELNIKOV, an individual; IGOR KAPELNIKOV, an individual; QUOTE MY RIG LLC, a New Jersey Limited Liability Company; MATTHEW SIMON, an individual; DANIEL GEORGE, an individual; JOHN MALONEY, an individual; JAMES MARX, an individual; CARLOS TORRES, an individual; VIRGINIA TORRES, an individual; SCOTT McCRAE, an individual; BRENDA GUFFEY, an individual; 195 GLUTEN FREE LLC, a New Jersey Limited Liability Company, DOE INDIVIDUALS I-X; and ROE CORPORATE ENTITIES I-X,

Defendants.

Defendants Lexicon Insurance Management LLC (“Lexicon”), ICAP Management Solutions, LLC (“ICAP”), and Daniel George (“George”), by and through their counsel, Robert S. Larsen, Esq. and Wing Yan Wong, Esq. of GORDON REES SCULLY MANSUKHANI, LLP, hereby file their Reply in support of the Motion to Stay Pending Arbitration and Joinder thereto.

MEMORANDUM OF POINTS AND AUTHORITIES

Unless Plaintiff is willing to stipulate that Lexicon, ICAP, and George 1) were not liable for any conduct related to CTC and Criterion and 2) could not be held jointly and severally liable for CTC and Criterion’s conduct, this Court should stay this action against Lexicon, ICAP, and

1 George pending completion of Plaintiff's arbitration proceedings. Plaintiff's Opposition to the
2 Motion to Stay and Joinders have no arguments to explain how Lexicon, ICAP, and George can
3 be divorced from CTC and Criterion in the story that Plaintiff has weaved in its Complaint.
4 Plaintiff bears the burden to prove that CTC and Criterion committed any wrongful conduct.
5 Plaintiff bears the burden to further prove that Lexicon, ICAP, and George for the wrongful
6 conduct of CTC and Criterion. If this Court were to allow Plaintiff to proceed in this litigation,
7 Lexicon, ICAP, and George would be forced to not only defend themselves but also the alleged
8 conduct of CTC and Criterion—which *Plaintiff* is attempting to attribute to Lexicon, ICAP, and
9 George. This, practically, would permit Plaintiff to bypass its arbitration agreement and this
10 Court's Orders compelling arbitration.

11 Plaintiff must show that CTC and Criterion committed certain improper action before
12 Plaintiff may input any of such conduct to Lexicon, ICAP, and George. Lexicon, ICAP, and
13 George did not object to CTC or Criterion's motions to compel arbitration—a fact that Plaintiff
14 harps on against each of the moving defendants seeking a stay—because arbitration *is* the
15 appropriate proceeding for Plaintiff to *first* pursue. The outcome of the arbitration may
16 substantially limit if not completely eliminate the bases of many of the claims Plaintiff is
17 asserting against Lexicon, ICAP, and George. It would be a waste of the resources of this Court,
18 the defendants, Spirit and its own insureds and claimants for Plaintiff to needlessly force
19 defendants to proceed before Plaintiff's arbitration proceedings against CTC and Criterion
20 conclude. It is illogical for Plaintiff to argue that it needs to collect against defendants to pay its
21 claimants while nonchalantly dismisses the undoubtedly expensive discovery process in this
22 litigation with twenty-eight defendants—on issues that could be eliminated by the arbitration.

23 In its last ditch effort to limit its obligation to arbitrate its claims, Plaintiff argues that
24 indefinite delay of this action will prejudice Spirit's policyholders and claimants. First, an
25 arbitration is not an indefinite process. Second, Plaintiff created this very problem. This Court
26 granted CTC and Criterion's motions to compel arbitration by minute orders on July 6, 2020,
27 more than two months ago. Yet, Plaintiff now informs the Court that she still has not
28 commenced any arbitration proceeding against CTC or Criterion. Plaintiff should have

1 submitted its claims against CTC and Criterion to arbitration long before it expended the costs to
2 file this action, looping in dozens of individuals and entities that Plaintiff believed were in this
3 incredible conspiracy with CTC and Criterion. Plaintiff, not any of the remaining defendants,
4 ignored its obligation to arbitrate in the first place.

5 II. LEGAL ARGUMENTS

6 A. Plaintiff's Opposition Shows That She Cannot Separate Her Claims against 7 CTC and Criterion from Lexicon, ICAP, and George.

8 Both Plaintiff and defendants agree that this Court has discretion to stay the nonarbitrable
9 claims pending completion of arbitration. Staying the nonarbitrable claims pending arbitration
10 is advisable where the outcome of arbitration impacts the nonarbitrable claims. "[W]here the
11 factual allegations underlying the arbitrable and nonarbitrable claims are identical, a stay may be
12 warranted by considerations of judicial economy and convenience because a plaintiff's success at
13 arbitration may render litigation of the nonarbitrable claims unnecessary.'" *Shepardson v.*
14 *Adecco USA, Inc.*, 2016 U.S. Dist. LEXIS 64754 (N.D.Calif. (quoting *Gilmore v. Shearson/Am.*
15 *Exp., Inc.*, 668 F. Supp. 314, 321 n.11 (S.D.N.Y. 1987) (referring to *Leone v. Advest, Inc.*, 624 F.
16 Supp. 297, 303 (S.D.N.Y. 1985), abrogated on other grounds, *Rubashkin v. Philips, Appel &*
17 *Waldren Inc.*, 722 F. Supp. 1135 (S.D.N.Y. 1989)).

18 Because of how Plaintiff has pled her allegations, Lexicon, ICAP, and George's liability
19 depends on CTC and Criterion's liability. Plaintiff cites four paragraphs in her Complaint to
20 support her position that her claims against Lexicon, ICAP, and George may proceed separately
21 and independently from the claims against CTC and Criterion in arbitration. *See* Opp. at p. 11
22 (citing Compl. at ¶¶ 30, 32, 37, and 256). Ironically, three of those paragraphs explicitly link
23 Lexicon, ICAP, and George to CTC:

24 32. Defendant ICAP Management Solutions, LLC is a Vermont limited liability
25 company that upon information and belief unlawfully and fraudulently
26 **received Spirit funds from CTC, which were funneled to Defendant**
27 **Daniel George.**

28 37. Defendant Daniel George ("George") was a director and officer of Spirit –
holding the positions of Treasurer and Secretary at various relevant points in
time, President of Lexicon Insurance Management LLC, **and an Executive**
Vice President of CTC California, who also served as Spirit's Risk

Retention Group Manager by and through Lexicon Management. Dan George presided over meetings of Spirit's Board of Directors as its Chair, despite on information and belief never holding the title of Chairman or President. George, upon information and belief, was also responsible for **putting "processes" and internal controls in place at CTC, meant to ensure cash and funds received from third parties were properly accounted for, recorded, handled, and distributed when held in trust by CTC and owns 100% of Defendant ICAP Management Solutions.** George actively participated in misrepresenting financials, financial transactions, whether insureds were having policies premium financed and resulting funds paid to Spirit for viable insurance, and failed to report and disclose material and improper financial transactions that contributed to substantial losses for Spirit.

256. **Payments made by CTC to related parties**, Mulligan affiliated entities and/or in transactions which lacked specificity and back-up support to such an extent **the auditors deemed them "unusual" include:**

...

g. **More than \$1.5 million dollars was recorded as being paid by CTC to ICAP Management Solutions LLC;** however, upon information and belief some of such payments were actually paid to Kapa Management Consulting, Inc.

The one paragraph which did not reference CTC or Criterion is non-substantive, identifying Lexicon as a foreign company in the introduction to the Complaint. *See* Compl. at ¶ 30.

Plaintiff's implication of Lexicon, ICAP, and George is by no means limited to these three paragraphs. According to Plaintiff, Lexicon failed to disclose the amount owed by CTC to Spirit. *Id.* at ¶ 85. Lexicon supposedly unduly influenced CTC to override controls. *Id.* at ¶ 132. Lexicon purportedly allowed Spirit to go into receivership after concealing "the true financial condition of Spirit" by approving withholding of "Spirit funds" by CTC. *Id.* at ¶¶ 181, 183. Lexicon allowed CTC to comingle funds of Spirit with other insurance clients. *Id.* at ¶ 184. Plaintiff is tying Lexicon's liability to CTC's conduct, meaning Plaintiff must first show that CTC is liable before Plaintiff may pursue Lexicon for any action by CTC.

Another important fact that Plaintiff completely omits and fails to acknowledge is that ICAP has no relationship with Spirit. ICAP did not enter into a contract with Spirit, and Spirit never paid ICAP. Instead, Plaintiff alleges that CTC improperly retained funds that belonged to Spirit, and CTC improperly distributed such "Spirit funds" to ICAP, which further funneled the "Spirit funds" to George. *See id.* at ¶ 32. ICAP and George's liability therefore is dependent on

1 CTC's liability. If CTC is found to have not committed any improper conduct, then Lexicon,
2 ICAP, and George could not have committed any improper conduct through CTC or kept any
3 "Spirit funds" through CTC. As Plaintiff admits in Paragraph 256 of Plaintiff's Complaint,
4 Plaintiff is merely keeping ICAP in this action because Plaintiff's investigator felt that CTC's
5 payment to ICAP (and other individuals and entities) "lacked specificity and back-up support"
6 and felt that they were "unusual." In other words, Plaintiff has no evidence but a "hunch" that
7 CTC made improper payment to ICAP (and not to mention of any ability to trace such payment
8 as "Spirit funds"). Plaintiff cannot be allowed to circumvent her obligation to first arbitrate her
9 claims against CTC to instead pursue her suspicion against ICAP and George.

10 Plaintiff has a choice to make: It can stay this entire action, or it can agree to not pursue
11 Lexicon, ICAP, and George for CTC and Criterion's alleged wrongful conduct. As a result of
12 Plaintiff's decision to tie all defendants' conduct together, the claims subject to arbitration are
13 not easily separable from the ones remaining in this litigation. Plaintiff's allegations against
14 CTC and Criterion underlie all of her causes of action against Lexicon, ICAP, and George. *See,*
15 *e.g., id.* at ¶¶ 271, 281-283, 289, 295, 305, 315, 327-337, 344-346, 354, 359, 362, 365, 373-74,
16 381, 386-88, 401, 412, 424, and 436-439. Plaintiff is not willing to give up CTC and Criterion's
17 supposed connection to Lexicon, ICAP, or George, and insists that any overlap was these
18 defendants' own doing. *Opp.* at 11:22-23. While Plaintiff makes conclusory statement that the
19 claims against Lexicon, ICAP, and George are separable, Plaintiff has not explained how that
20 could be done. Instead, Plaintiff merely ignores and refuses to acknowledge her own allegations
21 implicating Lexicon, ICAP, and George in CTC and Criterion's conduct.

22 **B. Defendants Should Not Be Forced to Engage in an Expensive Discovery**
23 **Process When the Arbitration Will Dispose of All If Not Most of the Grounds**
for Liability against Defendants.

24 Stay of the nonarbitratable claims is proper when "the discovery and the factual issues in
25 [the litigation] would overlap and be duplicative of the discovery necessary in the arbitration."
26 *Knights of Columbus v. Va. Trust*, 2:12-cv-688-JCM-VCF, 2013 U.S. Dist. LEXIS 39437 (D.
27 Nev. March 21, 2013) (finding issues remaining in litigation were not easily separable from
28 arbitration). As Plaintiff points out, Rule 1 of the Nevada Rules of Civil Procedure directs this

1 Court and the parties “to secure the just, speedy, and inexpensive determination of every action
2 and proceeding.” By refusing to acknowledge the nature of her own allegations and the impact
3 the arbitration may have upon the claims in the litigation, Plaintiff is championing the opposite—
4 making this litigation as costly as possible for the remaining defendants.

5 Plaintiff’s position that Lexicon, ICAP, and George did not articulate any harm is simply
6 false. As stated in the Joinder, should CTC and Criterion prevail in arbitration, Plaintiff’s claims
7 against ICAP disappear because they are all derivative of CTC’s conduct. Without a stay,
8 Lexicon, ICAP, and George will practically be forced to defend parties and claims which are
9 subject to arbitration, addressing issues including CTC and Criterion’s obligations under their
10 respective contracts with Spirit, CTC and Criterion’s internal controls, and CTC and Criterion’s
11 accounting methodology and bookkeeping—all without CTC and Criterion’s involvement in this
12 litigation or any arbitration (Plaintiff admits she still has not filed for arbitration yet). Plaintiff is
13 forcing Lexicon, ICAP, and George to defend CTC and Criterion in this action—all before
14 Plaintiff even makes any showing that CTC or Criterion committed any wrongful conduct.

15 **C. Plaintiff Fails to Articulate Harm or Prejudice.**

16 In contrast, Plaintiff provides no details on the supposed hardship it will suffer as a result
17 of a stay. Interestingly, Plaintiff provides nothing more than generalized and speculative
18 concerns about Spirit’s inability to pay claims. There is not a single statement in the Opposition
19 stating that Spirit does not have sufficient funds to pay any approved claims. Plaintiff provides
20 no information as to the amount of approved claims at issue. Instead, Plaintiff merely states that
21 Spirit’s insolvency proceeding and its resulting claims process have caused frustration to the
22 policyholders and claimants. Opp. at 17:10-13. The Receiver is seeking to extend the claims
23 deadline to May 31, 2021 to accommodate potential claimants who faced complications due to
24 COVID-19. Opp. at 17:23-24. That means the administration of those claims can continue for at
25 least another year. Plaintiff does not know whether those yet-to-be-filed claims will be
26 approved, or how much they will be.

27 Further, if Plaintiff’s allegations bear any truth, Plaintiff could recover against CTC and
28 Criterion pending the stay. Plaintiff is seeking to recover \$40 million from CTC and over

1 \$101,566 from Criterion. Compl. at ¶¶ 96-143, 250. The only reason why Plaintiff would face
2 any difficulty recovering funds while this action is stayed is if Plaintiff loses her arbitration
3 against CTC and Criterion. Plaintiff's complaints that a stay in this action will preclude the
4 Receiver from obtaining funds need to pay claims speaks volume to the lack of confidence
5 Plaintiff has in her case against CTC and Criterion. Plaintiff knows it is unlikely for her to
6 recover against CTC given the incredulity of her allegations, so she is attempting to keep as
7 many defendants in the case as possible. If Plaintiff cannot recover from CTC or Criterion in
8 the arbitration, Plaintiff cannot recover from ICAP and certainly cannot hold Lexicon or George
9 liable for CTC or Criterion's conduct. Plaintiff has not shown that a stay will create any
10 realistic, undue hardship on Spirit.

11 **D. Any Undue Delay Is the Result of Plaintiff's Own Dilatory Conduct.**

12 The Receiver should have filed for arbitration against CTC and Criterion before she
13 commenced this action. The Receiver has been reviewing and investigating Spirit's records and
14 finances for several years. At the absolute latest, the Receiver would have known of Spirit's
15 arbitration agreements with CTC and Criterion when Spirit was placed into receivership on
16 February 27, 2019 and the Receiver took control over Spirit's operations. *See* Compl. at ¶ 9.
17 The Receiver made no effort to file for arbitration in the year that followed before Plaintiff filed
18 her Complaint in this case.

19 On May 14, 2020, CTC and Criterion moved to compel arbitration. This gave Plaintiff
20 another notice to promptly file for arbitration. This was not the first time the Receiver has faced
21 similar motions to compel arbitration. The Nevada Supreme Court already rejected the
22 Receiver's effort to avoid arbitration in another action against the failed insurer's vendors. *State*
23 *ex. rel. Comm'r of Ins. v. Eighth Jud. Dist. Ct. of Nev.*, No. 77682, 2019 Nev. Unpub. LEXIS
24 1366 (Nev. Dec. 19, 2019). Therefore, Plaintiff knew that her opposition to arbitration in this
25 case was untenable. Yet, Plaintiff refused to honor Spirit's arbitration agreements and opposed
26 both motions. *See* Plaintiff's Oppositions filed June 4, 2020. Despite the fact that the Court
27 entered its minute orders compelling arbitration on July 6, 2020, Plaintiff admits that she still had
28 not filed for arbitration as of September 11, 2020. *See* Opposition, at 18:2-3 ("arbitration

1 proceedings have yet to be initiated relating to either the CTC Defendants and/or Criterion”).
2 Plaintiff’s purported concern for the “unknown” length of stay is a product of Plaintiff’s own
3 doing. Such delay by Plaintiff is certainly not grounds to penalize the remaining defendants.

4 **III. CONCLUSION**

5 In sum, Plaintiff’s own allegations tie the claims subject to arbitration to Lexicon, ICAP,
6 and George. The outcome of the arbitration will necessarily impact the remaining claims in this
7 action, and may eliminate or limit the grounds for liability against the remaining defendants.
8 The discovery process involving the remaining twenty-eight defendants will no doubt be an
9 expensive process. Plaintiff will suffer no undue hardship as a result of a stay pending
10 conclusion of the arbitration. Plaintiff has already delayed the arbitration process. Lexicon,
11 ICAP, or George should not be penalized for Plaintiff’s delay. For these reasons, Defendants
12 request that the Court stay this action as to Lexicon, ICAP, and George.

13 DATED this 16th day of September, 2020.

14 GORDON REES SCULLY
15 MANSUKHANI, LLP

16 /s/ Robert S. Larsen
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24 *Management, LLC, Daniel George and*
25 *ICAP Management Solutions LLC*
26
27
28

CERTIFICATE OF SERVICE

Pursuant to Rule 5(b) of the Nevada Rules of Civil Procedure, I hereby certify under penalty of perjury that on the 16th day of September, 2019, the foregoing **LEXICON INSURANCE MANAGEMENT LLC, ICAP MANAGEMENT SOLUTIONS, LLC, AND DANIEL GEORGE'S REPLY IN SUPPORT OF MOTION TO STAY PENDING ARBITRATION AND JOINDER THERETO** was served upon those persons designated by the parties in the E-Service Master List in the Eighth Judicial District court eFiling System in accordance with the mandatory electronic service requirements of Administrative Order 14-1 and the Nevada Electronic Filing and Conversion Rules, or mailed via U.S. Post Office, first class postage prepaid, upon the following:

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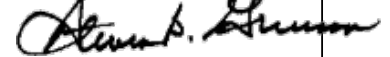
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12 *Risk Managers, Inc.; Ironjab, LLC; Fourgorean Capital LLC;*
Chelsea Holding Company, LLC; and Chelsea Financial Group, Inc. (Missouri)

13 **DISTRICT COURT**

14 **CLARK COUNTY, NEVADA**

15
16 BARBARA D. RICHARDSON IN HER
CAPACITY AS THE STATUTORY RECEIVER
17 FOR SPIRIT COMMERCIAL AUTO
RETENTION GROUP, INC.,

18
19 Plaintiff,

20 vs.

21 THOMAS MULLIGAN, an individual; CTC
TRANSPORTATION INSURANCE SERVICES
22 OF MISSOURI, LLC, a Missouri Limited Liability
Company; CTC TRANSPORTATION
23 INSURANCE SERVICES, LLC, a California
Limited Liability Company; CTC
24 TRANSPORTATION INSURANCES SERVICES
OF HAWAII, LLC, a Hawaii Limited Liability
25 Company; CRITERION CLAIMS SOLUTIONS
OF OMAHA, INC., a Nebraska Corporation;
26 PAVEL KAPELNIKOV, an individual; CHELSEA
FINANCIAL GROUP, INC., a California
27 Corporation; CHELSEA FINANCIAL GROUP,
28

CASE NO.: A-20-809963-B
DEPT NO.: 13

**REPLY IN SUPPORT OF
MOTION TO STAY PENDING
ARBITRATION**

Hearing Date: September 21, 2020
Hearing Time: 9:00 a.m.

Howard & Howard
3800 Howard Hughes Pkwy., Suite 1000
Las Vegas, NV 89169
(702) 257-1483

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INC., a Missouri Corporation; CHELSEA
FINANCIAL GROUP, INC., a New Jersey
Corporation d/b/a CHELSEA PREMIUM
FINANCE CORPORATION; CHELSEA
FINANCIAL GROUP, INC., a Delaware
Corporation; CHELSEA HOLDING COMPANY,
LLC, a Nevada Limited Liability Company;
CHELSEA HOLDINGS, LLC, a Nevada Limited
Liability Company, FOURGOREAN CAPITAL,
LLC, a New Jersey Limited Liability Company;
KAPA MANAGEMENT CONSULTING, INC., a
New Jersey Corporation, KAPA VENTURES,
INC., a New Jersey Corporation; GLOBAL
FORWARDING ENTERPRISES
LIMITED LIABILITY COMPANY, a New Jersey
Limited Liability Company; GLOBAL CAPITAL
GROUP, LLC, a New Jersey Limited Liability
Company; GLOBAL CONSULTING; NEW TECH
CAPITAL, LLC, a Delaware Limited Liability
Company; LEXICON INSURANCE
MANAGEMENT LLC, a North Carolina Limited
Liability Company; ICAP MANAGEMENT
SOLUTIONS, LLC, a Vermont Limited Liability
Company; SIX ELEVEN LLC, a Missouri Limited
Liability Company; 10-4 PREFERRED RISK
MANAGERS INC., a Missouri Corporation;
IRONJAB LLC, a New Jersey Limited Liability
Company; YANINA G. KAPELNIKOV, an
individual; IGOR KAPELNIKOV, an individual;
QUOTE MY RIG LLC, a New Jersey Limited
Liability Company; MATTHEW SIMON, an
individual; DANIEL GEORGE, an individual;
JOHN MALONEY, an individual; JAMES MARX,
an individual; CARLOS TORRES, an individual;
VIRGINIA TORRES, an individual; SCOTT
McCRAE, an individual; BRENDA GUFFEY, an
individual; 195 GLUTEN FREE LLC, a New
Jersey Limited Liability Company, DOE
INDIVIDUALS I- X; and ROE CORPORATE
ENTITIES I-X,

Defendants.

1 **I. INTRODUCTION**

2 In its 31-page Opposition, Plaintiff completely fails to explain how its claims against the
3 Six-Eleven Defendants¹ are separate and distinct from its claims against the CTC Defendants and
4 Criterion, which have been compelled to two separate arbitration proceedings. Plaintiff's failure
5 to parse out these claims is not surprising but telling. Plaintiff's allegations against the Six-Eleven
6 Defendants are not only intertwined, but fundamentally dependent upon the CTC Defendants and
7 Criterion's conduct.

8 Plaintiff also does not dispute that this Court has the power to stay the instant proceeding
9 pursuant to the Federal Arbitration Act, 9 U.S.C. § 3 ("FAA"), the Nevada Uniform Arbitration
10 Act ("NUAA"), and other relevant statutes and case law. Realizing that it cannot question this
11 Court's inherent power, Plaintiff attempts to argue that a stay would prejudice the receivership
12 and Spirit's creditors. However, Plaintiff does not actually provide any evidence of how it will
13 be prejudiced.

14 To the contrary, the receivership and Spirit's creditors will be benefitted by the stay.
15 Plaintiff will avoid having to bear the expense of conducting duplicative discovery in this case
16 and two separate arbitration proceedings, leaving more funds for the receivership. The discovery
17 that will be conducted in the arbitration proceedings will be identical to the discovery in this
18 matter. Plaintiff has already conceded that its claims against the CTC Defendants and Criterion
19 are intertwined with the other Defendants, and therefore Plaintiff is judicially estopped from
20 attempting to argue otherwise.

21 As this Court may recall, Plaintiff recently argued that, "[n]early every fraudulent and
22 unlawful act the Receiver has identified was transacted by or with the knowledge of CTC." (Pl.'s
23 Opp. to CTC's Mot. to Compel Arb. at 29, Jun. 4, 2020, on file.) "Indeed, Criterion's role in the
24 fraudulent scheme the Receiver seeks to unwind cannot be untangled from the scheme at large."
25 (Pl.'s Opp. to Criterion's Mot. to Compel Arb. at 18, Jun. 4, 2020, on file.) Plaintiff cannot
26 genuinely argue that its claims are no longer intertwined or that the discovery in the CTC

27
28 ¹ Defendants Six Eleven LLC; Quote My Rig, LLC; New Tech Capital LLC; 195 Gluten Free LLC; 10-4
Preferred Risk Managers, Inc.; Ironjab, LLC; Fourgorean Capital LLC; Chelsea Holding Company, LLC;
and Chelsea Financial Group, Inc. are collectively referred to as the Six-Eleven Defendants.

1 Defendants and Criterion's arbitrations will not be identical to the discovery in this case.
2 Accordingly, a stay will preclude duplicative discovery and associated costs, which is in the best
3 interests of the receivership.

4 Further, Plaintiff's argument that a stay will delay and harm the receivership has no merit.
5 Plaintiff will be able to obtain discovery once it initiates the arbitration proceedings, which are
6 more expeditious than jury trials. As this Court is aware, the current public health emergency has
7 halted all jury trials in this jurisdiction creating a significant backlog with criminal cases receiving
8 priority whenever jury trials resume. Therefore, contrary to Plaintiff's assertion that there is an
9 "uncertainty relating to a timeline for completion" of the arbitrations, the uncertainty of the
10 completion of this jury trial is much greater.

11 Moreover, the Six-Eleven Defendants will suffer great hardship if the stay is not granted.
12 The Six-Eleven Defendants will have to participate in discovery and defend itself in this case and
13 two separate arbitrations, spend an exorbitant amount of money on attorneys' fees in a proceeding
14 that is entirely dependent on the outcome of another, and endure the risk of inconsistent results.
15 The inherent risk of inconsistent results weighs heavily in favor of granting the stay.

16 Lastly, staying the case would promote judicial economy because the arbitration
17 proceedings will simplify and streamline the main issues in the case, particularly whether the CTC
18 Defendants misappropriated any money from Spirit and improperly transferred any funds to the
19 Six-Eleven Defendants. Additionally, the arbitrators will determine whether there was a
20 fraudulent scheme or a civil conspiracy orchestrated by the CTC Defendants and Criterion that
21 the Six-Eleven Defendants were alleged a part of.

22 Although Plaintiff does not explain why it is prudent to proceed in three forums, it is clear
23 that a stay is in the best interests of everyone, including this Court.

24 ///

25 ///

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1 **II. THIS COURT SHOULD GRANT A STAY PENDING ARBITRATION.**

2 **A. Plaintiff Admits that this Court has the Power to Stay the Action and Does**
3 **Not Dispute that the Claims Asserted Against the Six-Eleven Defendants are**
4 **Dependent, Intertwined, and Premised on the Claims Subject to the**
5 **Arbitration Proceedings.**

6 Plaintiff agrees that this Court has the authority and discretion to stay the instant matter
7 pending the resolution of the arbitrations between Plaintiff and the CTC Defendants and
8 Criterion. “[T]he authority relied on by defendants indicates that a court has the discretionary
9 power to choose to stay the litigation.” (Pl.’s Opp. to Mot. to Stay at 15, Sep. 11, 2020, on file.)
10 Accordingly, Plaintiff does not dispute that this Court is empowered to enter a stay in this case.

11 The power to stay proceedings is incidental to the power inherent in every court to control
12 the disposition of the cases on its docket with economy of time and effort for itself, for counsel,
13 and for litigants. *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936). It is within the court’s sole
14 discretion to grant and lift a stay of proceeding, and it can do so for any reason it deems
15 appropriate. *Id.*

16 A trial court may, with propriety, find it is efficient for its own
17 docket and the fairest course for the parties to enter a stay of an
18 action before it, pending resolution of independent proceedings
19 which bear upon the case. This rule applies whether the separate
20 proceedings are judicial, administrative, or arbitral in character, and
21 does not require that the issues in such proceedings are necessarily
22 controlling of the action before the court. . . In such cases the court
23 may order a stay of the action pursuant to its power to control its
24 docket and calendar and to provide for a just determination of the
25 cases before it.

26 *Leyva v. Certified Grocers of California, Ltd.*, 593 F.2d 857, 863-64 (9th Cir. 1979).

27 There are numerous cases across various jurisdictions that support staying a case pending
28 the conclusion of an arbitration when claims that are subject to the arbitration are inextricably
29 intertwined with those remaining in the litigation. *See Bischoff v. DirecTV, Inc.*, 180 F.Supp.2d
30 1097 (C.D. Cal. 2017); *Hill v. G E Power Sys., Inc.*, 282 F.3d 343, 347 (5th Cir. 2002);
31 *Contracting Northwest, Inc. v. City of Fredericksburg, Iowa*, 713 F.2d 382 (8th Cir.1983);
32 *American Home Assurance Co. v. Vecco Concrete Construction Co.*, 629 F.2d 961 (4th
33 Cir.1980). Plaintiff does not distinguish or dispute the rulings of these cases.

1 Although Plaintiff does attempt to unsuccessfully distinguish some cases cited by the
2 Defendants, Plaintiff completely fails to address the actual substantive merits of the Six-Eleven
3 Defendants' Motion to Stay that Plaintiff's claims are intertwined and fundamentally dependent
4 upon Plaintiff's claims against the CTC Defendants and Criterion that have been ordered to
5 arbitration proceedings. While Plaintiff repeatedly maintains that "it is possible to parse out the
6 claims against the Filing Defendants" and there are "distinct issues and wrongdoings relating to
7 each of the Filing Defendants," Plaintiff does not explain these supposed distinct issues in its
8 Opposition. (Pl.'s Opp. to Mot. to Stay at 4, 16, Sep. 11, 2020, on file.)

9 Rather, Plaintiff confirms that its allegations against the Six-Eleven Defendants are
10 intertwined and premised upon its claims against the CTC Defendants and Criterion.
11 Specifically, Plaintiff claims that "the Six Eleven Defendants appear to have primarily been
12 created for the purpose of simply collecting Spirit funds or acting as 'piggy banks' for Spirit
13 funds to be deposited into." (Pl.'s Opp. to Mot. to Stay at 8, Sep. 11, 2020, on file.) "[Six-Eleven
14 Defendants] each entity received substantial payments of funds that should have been sent to
15 Spirit..." (*Id.*) "[T]he Six Eleven Defendants collectively siphoned and collected Spirit's funds."
16 (*Id.* at 23.)

17 Plaintiff also notes that "[t]wo of the Six Eleven Defendants include Chelsea Holding and
18 Chelsea Financial MO" who are referred to as part of the "Chelsea Defendants." (*Id.* at 9.)
19 Although Plaintiff lumps Chelsea Holding Company, LLC and Chelsea Financial Group, Inc.
20 (Missouri) with the other Chelsea entities, Plaintiff does not attempt to separate the Chelsea
21 Defendants from the CTC Defendants and Criterion. Plaintiff merely asserts that "large premium
22 balances were collected by the Chelsea Defendants and never paid to Spirit."² (*Id.* at 9, 23.)

23 Aside from these short statements, Plaintiff's Opposition to Six-Eleven Defendants'
24 Motion to Stay Pending Arbitration does not contain any explanation regarding the Six-Eleven
25

26
27
28 ² In its Complaint, Plaintiff asserts that Chelsea Financial financed many of Spirit's insured's premiums
and was to pay those premiums to CTC, but Chelsea failed to do so and/or CTC failed to track funds
received from Chelsea. (Pl.'s Compl., ¶¶ 58-60, Feb. 6, 2020, on file.) This allegedly wrongful conduct
was done at the direction of CTC and its management. (*Id.*, ¶ 60.)

1 Defendants' specific roles in this litigation. As such, Plaintiff fails to explain how its claims
2 against the Six-Eleven Defendant are distinct from the CTC Defendants and Criterion.

3 This Court has recently denied Plaintiff's Motions for Reconsideration of the CTC
4 Defendants' and Criterion's Motions to Compel Arbitration confirming that all of Plaintiff's
5 claims against the CTC Defendants and Criterion are subject to arbitration. (Min. Order, Sep. 4,
6 2020, on file; Min. Order, Sep. 14, 2020, on file.) Plaintiff is fully aware that all of its claims
7 against the Six-Eleven Defendants also include the CTC Defendants and Criterion. (*See*
8 Plaintiff's Eleventh, Twelfth, Thirteenth, Fifteenth, Sixteenth, Seventeenth, and Eighteenth
9 Causes of Action³, Compl., Feb 6, 2020, on file.)

10 Given that Six-Eleven Defendants' involvement and liability in this case is inherently
11 dependent upon and intertwined with Plaintiff's claims against the CTC Defendants and Criterion
12 which have been ordered to arbitrations, this Court should stay the instant proceeding pending
13 the outcome of the arbitrations.

14 **B. Spirit Creditors and the Receivership Will Not Be Damaged but Will Benefit**
15 **from the Stay.**

16 In deciding whether to stay an action, the Court must weigh the competing interests
17 including: (1) possible damage resulting from granting a stay; (2) hardship or inequity which a
18 party may suffer in being required to go forward; and (3) the orderly course of justice measured
19 in terms of the simplifying or complicating of issues, proof, and questions of law which could be
20 expected to result from a stay. *CMAX, Inc. v. Hall*, 300 F.2d 265, 268 (9th Cir. 1962). Here, the
21 competing interests weigh in favor of granting the stay.

22 In its Opposition, Plaintiff claims that a stay will delay its ability to recover funds from
23 the remaining Defendants. However, as explained above given the current public health
24 emergency, it is uncertain when this Court will resume jury trials. Conversely, Plaintiff can
25 initiate the arbitration proceedings and promptly resolve the main issues of this dispute, whether

26
27 ³ Plaintiff's Tenth Cause of action for Nevada RICO is not asserted against the Six-Eleven Defendants.
28 (*See* Title of Tenth Cause of Action.) However, Plaintiff mentions the Six-Eleventh Defendants in the
allegations of this claim. To the extent Plaintiff asserted a Nevada RICO claim against the Six-Eleven
Defendants, such claim is also intertwined and premised upon the CTC Defendants and Criterion's
conduct.

1 the CTC Defendants owe Spirit \$40 million dollars and whether the CTC Defendants made any
2 improper transfers to the Defendants in this case. Courts recognize arbitrations as more
3 expeditious than litigation. *See U.S. for Use & Benefit of Newton v. Neumann Caribbean Int'l,*
4 *Ltd.*, 750 F.2d 1422, 1427 (9th Cir. 1985) (“It does not seem to us erroneous for the District Court
5 to have preferred to allow the arbitration to take place first, particularly since the type of
6 controversy here involved seems one well-suited to the informal, and often expeditious,
7 proceedings which generally characterize arbitration.”) Therefore, Plaintiff and third parties will
8 not be damages by a stay, but instead will have the benefit of a quicker discovery process and
9 resolution of paramount issues.

10 Further, Plaintiff’s argument that its “goal is to recover as much as possible in order to
11 maximize payments of claims” is contradicted by its own actions of attempting to arbitrate and
12 litigate in three forums and continue to incur significant and unnecessary costs to the detriment
13 of the receivership and its creditors. A stay will benefit the receivership, and Plaintiff will have
14 the benefit from an expeditious determination of its claims by first having the main issues
15 determined in the arbitrations. Plaintiff’s resources will be preserved by waiting until that issue
16 is determined rather than litigating identical issues in this forum. *See Rupracht v. Union Sec. Ins.*
17 *Co.*, No. 3:07-CV-00231-BES-RAM, 2007 WL 9700737, at *7 (D. Nev. Dec. 20, 2007) (staying
18 litigation against non-arbitrating defendants because the arbitration might resolve similar
19 questions facing both defendants and may eliminate further litigation and, at a minimum, the
20 arbitration was likely to streamline subsequent proceedings before the court). Similarly, it is not
21 in the best interests of Plaintiff to force its opponents to spend money in three different forums
22 to decide the same issues because such costs reduce the amount of money Plaintiff may be
23 ultimately entitled to, if any.

24 Lastly, Plaintiff’s first-time discussion of “800 current claimants” does not change the
25 outcome or demonstrate any harm to the receivership. Plaintiff has never identified these
26 claimants in its Complaint nor provided any evidence regarding the same. There is simply no
27 proof to support Plaintiff’s statements regarding these claimants. Nevertheless, these 800
28 unknown and unidentified claimants do not undermine the benefits of the stay. It is clear that a

1 stay will allow the Plaintiff to conduct discovery, preserve the receivership funds by not
2 expending attorney's fees on duplicative discovery in numerous forums, and resolve its claims
3 more expeditiously. For these reasons, Plaintiff and the receivership will not be damages but will
4 be benefitted by the stay. As such, the balance of competing interests weighs in favor of the stay.

5 **C. The Six-Eleven Defendants Will Suffer Great Hardship Without a Stay.**

6 The Six-Eleven Defendants will suffer immense hardship by having to participate in
7 discovery in three separate forums, spend an exorbitant amount of money on attorneys' fees in a
8 proceeding that is entirely dependent on the outcome of another, and endure the risk of
9 inconsistent results. These facts clearly establish hardship and inequity to justify a stay.

10 The Nevada Supreme Court has held that avoidance of multiple lawsuits is a justifiable
11 basis for a mandatory injunction. *Memory Gardens of Las Vegas, Inc. v. Pet Ponderosa Mem'l*
12 *Gardens, Inc.*, 88 Nev. 1, 5, 492 P.2d 123, 125 (1972); *See also Home Fin. Co. v. Balcom*, 61
13 Nev. 301, 127 P.2d 389, 396 (1942). In *Memory Gardens of Las Vegas, Inc.*, the Nevada Supreme
14 Court affirmed the trial court's finding that the possibility of multitudinous litigation constituted
15 an irreparable injury. 88 Nev. at 4, 492 P.2d at 125. Such principles and safeguard should apply
16 here.

17 Six-Eleven Defendants are faced with three separate proceedings, which entail
18 unnecessary attorney's fees for duplicative issues and inherent risk of inconsistent outcomes.
19 Absent a stay, the Six-Eleven Defendants will be forced to defend itself and conduct discovery in
20 this lawsuit, in the CTC Defendants' arbitration in Washington, D.C., and in Criterion's
21 arbitration in Nebraska. This situation demonstrates significant hardship to the Six-Eleven
22 Defendants.

23 Although Plaintiff claims that a stay "would have a devastating impact on [its] ability to
24 pay claims and Spirit claimants." (Pl.'s Opp. to Mot. to Stay at 19, Sep. 11, 2020, on file.)
25 Plaintiff does not identify such impact. This statement is simply an unsupported conclusion.
26 Plaintiff also claims that its unidentified "devastating impact" is not outweighed by any purported
27 hardship. (*Id.*) To the contrary, the Six-Eleven Defendants have clearly demonstrated their
28 particularized hardships, which outweigh Plaintiff's speculative and unknown hardship.

D. A Stay Would Promote Judicial Economy.

After admitting to this Court that “[n]early every fraudulent and unlawful act the Receiver has identified was transacted by or with the knowledge of CTC” and that, “[i]ndeed, Criterion’s role in the fraudulent scheme the Receiver seeks to unwind cannot be untangled from the scheme at large,” Plaintiff reverses course and attempts to argue that its claims against the CTC Defendants and Criterion are not inextricably intertwined with its claims against the Six-Eleven Defendants. (Pl.’s Opp. to CTC’s Mot. to Compel Arb. at 29, Jun. 4, 2020, on file.; Pl.’s Opp. to Criterion’s Mot. to Compel Arb. at 18, Jun. 4, 2020, on file.) Although Plaintiff is judicially estopped from taking this position⁴, Plaintiff’s new arguments do not explain how its claims against the Six-Eleven Defendants are not intertwined and fundamentally dependent upon the CTC Defendants and Criterion’s actions.

As mentioned above, Plaintiff attempts to provide “independent bases” against the Six-Eleven Defendants are limited to statements that the Six-Eleven Defendants “collectively siphoned and collected Spirit’s funds;” and that the Chelsea Defendants “failed to pay Spirit the amounts collected.” (Pl.’s Opp. to Mot. to Stay at 23, Sep. 11, 2020, on file.) However, these statements do not provide an independent bases for the claims to proceed against the Six-Eleven Defendants. In its Complaint, Plaintiff specifically alleges that the CTC Defendants improperly transferred funds to the Six-Eleven Defendants and allegedly participated in conspiracy and fraud with Criterion and the Six-Eleven Defendants. (Pl.’s Compl., Feb. 6, 2020, on file.) Although the Six-Eleven Defendants deny such wrongdoing, they identify for this Court the fact that Plaintiff has intertwined its allegations against the CTC Defendants and Criterion with the Six-Eleven Defendants.

Plaintiff’s argument that this issue is now moot because the Six-Eleven Defendants did not raise it at the time the CTC Defendants and Criterion moved to compel arbitrations has no merit. The Six-Eleven Defendants were not parties to the arbitration agreements and could not

⁴ *Marcuse v. Del Webb Communities, Inc.*, 123 Nev. 278, 288, 163 P.3d 462, 469 (2007) (“The central purpose of judicial estoppel is to guard the judiciary’s integrity, and thus a court may invoke the doctrine at its own discretion. Nonetheless, we have stated that judicial estoppel should be applied only when “a party’s inconsistent position [arises] from intentional wrongdoing or an attempt to obtain an unfair advantage.”)

1 assert a position prior to the Court's ruling on the Motion to Compel Arbitrations. Simply put,
2 there was no reason to seek a stay until the Court ordered the CTC Defendants and Criterion to
3 proceed with arbitration proceedings. Plaintiff's position that the Six-Eleven Defendants should
4 have sought it previously is a red herring. If Plaintiff is not agreeable to a stay at this juncture, it
5 certainly would not have agreed to it at the time the CTC Defendants and Criterion sought
6 arbitrations.

7 Lastly, Plaintiff's characterization of the risk of inconsistent results under the same set of
8 identical facts as a farce is disingenuous. To the extent Plaintiff's claims proceed against the Six-
9 Eleven Defendants in this forum while the exact same claims proceed in arbitrations against the
10 CTC Defendants and Criterion, the danger of inconsistent results is inherent. The claims against
11 the CTC Defendants and Criterion in their arbitration proceedings are identical to Plaintiff's
12 claims against the Six-Eleven Defendants in this proceeding.

13 It would waste judicial resources and be burdensome upon the
14 parties if the district court in a case such as this were mandated to
15 permit discovery, and upon completion of pretrial proceedings, to
take evidence and determine the merits of the case at the same time
as the arbitrator is going through a substantially parallel process.

16 *Leyva v. Certified Grocers of California, Ltd.*, 593 F.2d 857, 863-64 (9th Cir. 1979).

17 It is clear that a stay is in the best interest of judicial economy. The arbitration discovery
18 and the arbitrators' determination whether the CTC Defendants owe Spirit \$40 million dollars
19 and whether the CTC Defendants made any improper transfers to the Defendants in this case will
20 significantly streamline and simplify the issues. Similarly, the arbitrator's decision in the
21 Criterion arbitration will aid and simplify this proceeding. Plaintiff cannot dispute that these are
22 the main issues of this case. Accordingly, it is in the best interests of orderly course of justice
23 and judicial economy to stay this proceeding.

24 **III. CONCLUSION**

25 For the foregoing reasons, the Six-Eleven Defendants respectfully request this Court to
26 stay all proceedings against the Six Eleven Defendants because (1) the claims asserted against
27 them are entirely dependent, intertwined, and premised on the claims subject to arbitrations
28 between Plaintiff, the CTC Defendants, and Criterion, (2) a stay is in the best interests of the

1 parties and the receivership, (3) the Six-Eleven Defendants will suffer hardship if a stay is not
2 granted, and (4) the stay will promote judicial economy.

3 DATED this 16th day of September, 2020.

4 **HOWARD & HOWARD ATTORNEYS PLLC**

5 /s/ Kirill V. Mikhaylov, Esq.

6 L. CHRISTOPHER ROSE, ESQ.

7 KIRILL V. MIKHAYLOV, ESQ.

8 WILLIAM A. GONZALES, ESQ.

3800 Howard Hughes Parkway, Suite 1000

Las Vegas, Nevada 89169

9
10 *Attorneys for Defendants Six Eleven LLC; Quote My Rig,*
11 *LLC; New Tech Capital LLC; 195 Gluten Free LLC; 10-4*
12 *Preferred Risk Managers, Inc.; Ironjab, LLC; Fourgorean*
13 *Capital LLC; Chelsea Holding Company, LLC; and*
14 *Chelsea Financial Group, Inc. (Missouri)*

CERTIFICATE OF SERVICE

I hereby certify that I am employed in the County of Clark, State of Nevada, am over the age of 18 years and not a party to this action. My business address is Howard & Howard Attorneys PLLC, 3800 Howard Hughes Parkway, Suite 1000, Las Vegas, Nevada 89169.

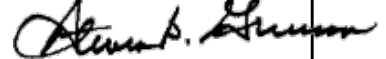
On this day, I served the **REPLY IN SUPPORT OF MOTION TO STAY PENDING ARBITRATION** in this action or proceeding electronically with the Clerk of the Court via the Odyssey E-File and Serve system, and e-served the same on all parties listed on the Court's Master Service List.

I certify under penalty of perjury that the foregoing is true and correct, and that I executed this Certificate of Service on September 16, 2020 at Las Vegas, Nevada.

/s/ Julia M. Diaz

An employee of HOWARD & HOWARD ATTORNEYS PLLC

4851-2397-1787, v. 1



1 ALVERSON TAYLOR & SANDERS
2 KURT R. BONDS, ESQ.
3 Nevada Bar #6228
4 TREVOR R. WAITE, ESQ.
5 Nevada Bar #13779
6 6605 Grand Montecito Pkwy, Ste 200
7 Las Vegas, NV 89149
8 (702) 384-7000
9 efile@alversontaylor.com
10 *Attorneys for Defendant*
11 *Brenda Guffey.*

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

10 BARBARA D. RICHARDSON IN HER
11 CAPACITY AS THE STATUTORY
12 RECEIVER FOR SPIRIT COMMERCIAL
13 AUTO RETENTION GROUP, INC.,

14 Plaintiff,

15 vs.

16 THOMAS MULLIGAN, an individual; CTC
17 TRANSPORTATION INSURANCE
18 SERVICES OF MISSOURI, LLC, a Missouri
19 Limited Liability Company; CTC
20 TRANSPORTATION INSURANCE
21 SERVICES, LLC, a California Limited Liability
22 Company; CTC TRANSPORTATION
23 INSURANCES SERVICES OF HAWAII, LLC,
24 a Hawaii Limited Liability Company;
25 CRITERION CLAIMS SOLUTIONS OF
26 OMAHA, INC., a Nebraska Corporation;
27 PAVEL KAPELNIKOV, an individual;
28 CHELSEA FINANCIAL GROUP, INC., a
California Corporation; CHELSEA
FINANCIAL GROUP, INC., a Missouri
Corporation; CHELSEA FINANCIAL GROUP,
INC., a New Jersey Corporation d/b/a
CHELSEA PREMIUM FINANCE

CASE NO.: A-20-809963-B
DEPT NO.: 13

**DEFENDANT BRENDA GUFFEY'S
SUBSTANTIVE JOINDER TO THE
DEFENDANT THOMAS
MULLIGAN'S REPLY IN
SUPPORT OF JOINDER MOTION
TO STAY PENDING
ARBITRATION**

KRB/26611

ALVERSON TAYLOR & SANDERS
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(702) 384-7000

ALVERSON TAYLOR & SANDERS

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1 CORPORATION; CHELSEA FINANCIAL
2 GROUP, INC., a Delaware Corporation;
3 CHELSEA HOLDING COMPANY, LLC, a
4 Nevada Limited Liability Company; CHELSEA
5 HOLDINGS, LLC, a Nevada Limited Liability
6 Company, FOURGOREAN CAPITAL, LLC, a
7 New Jersey Limited Liability Company; KAPA
8 MANAGEMENT CONSULTING, INC., a New
9 Jersey Corporation, KAPA VENTURES, INC., a
10 New Jersey Corporation; GLOBAL
11 FORWARDING ENTERPRISES LIMITED
12 LIABILITY COMPANY, a New Jersey Limited
13 Liability Company; GLOBAL CAPITAL
14 GROUP, LLC, a New Jersey Limited Liability
15 Company; GLOBAL CONSULTING; NEW
16 TECH CAPITAL, LLC, a Delaware Limited
17 Liability Company; LEXICON INSURANCE
18 MANAGEMENT LLC, a North Carolina
19 Limited Liability Company; ICAP
20 MANAGEMENT SOLUTIONS, LLC, a
21 Vermont Limited Liability Company; SIX
22 ELEVEN LLC, a Missouri Limited Liability
23 Company; 10-4 PREFERRED RISK
24 MANAGERS INC., a Missouri Corporation;
25 IRONJAB LLC, a New Jersey Limited Liability
26 Company; YANINA G. KAPELNIKOV, an
27 individual; IGOR KAPELNIKOV, an individual;
28 QUOTE MY RIG LLC, a New Jersey Limited
Liability Company; MATTHEW SIMON, an
individual; DANIEL GEORGE, an individual;
JOHN MALONEY, an individual; JAMES
MARX, an individual; CARLOS TORRES, an
individual; VIRGINIA TORRES, an individual;
SCOTT McCRAE, an individual; BRENDA
GUFFEY, an individual; 195 GLUTEN FREE
LLC, a New Jersey Limited Liability Company,
DOE INDIVIDUALS I- X; and ROE
CORPORATE ENTITIES I-X,

Defendants.

**DEFENDANT BRENDA GUFFEY'S
SUBSTANTIVE JOINDER TO THE
DEFENDANT THOMAS
MULLIGAN'S REPLY IN
SUPPORT OF JOINDER MOTION
TO STAY PENDING
ARBITRATION**

KRB/26611

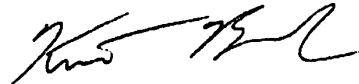
**DEFENDANT BRENDA GUFFEY'S SUBSTANTIVE JOINDER TO THE DEFENDANT
THOMAS MULLIGAN'S REPLY IN SUPPORT OF JOINDER MOTION TO STAY
PENDING ARBITRATION**

COMES NOW, Defendant Brenda Guffey, by and through her attorneys of record,
ALVERSON TAYLOR & SANDERS, and hereby joins in, adopts, and affirms, the legal
argument in subsections A-E (excluding the argument from subsection B found on page 6, lines
15-21) of Defendant Thomas Mulligan's Reply in Support of Joinder Motion to Stay Pending
Arbitration ("Motion"), and affirms and declares that the same are equally applicable to her.

Additionally this Substantive Joinder is based on the attached Memorandum of Points
and Authorities, the pleadings and papers on file herein, and any oral argument the Court may
entertain at the time of the hearing of this matter.

DATED this 18th day of September, 2020.

ALVERSON TAYLOR & SANDERS



KURT R. BONDS, ESQ.

Nevada Bar #6228

TREVOR R. WAITE, ESQ.

Nevada Bar#13779

6605 Grand Montecito Pkwy, Ste 200

Las Vegas, NV 89149

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Attorneys for Defendant Brenda Guffey

MEMORANDUM OF POINTS AND AUTHORITIES

I.

LEGAL ARGUMENT

**A. Receiver Incorrectly States That Brenda Guffey Would Not Experience Hardship If
These Proceedings Are Not Stayed.**

Receiver Alleges Brenda Guffey as President of Spirit, was intimately involved in,
actively participated in, and was knowledgeable of the management and affairs of Spirit.

KRB/26611

1 including its failure to collect premiums due to the company, unrealistic and material under-
2 reserving of claims, payment of claims on policies with outstanding delinquent premiums,
3 unauthorized writing of cross-border insurance business by Spirit to cover Mexican insureds and
4 drivers that led to large Spirit losses, and material misstatements to Spirit's policyholders,
5 auditors, and the Nevada Division of Insurance. Complaint ¶ 43. If, as Receiver alleges, Guffey
6 was "intimately involved," then it is very likely that Receiver will call upon Guffey as witness in
7 the CTC and Criterion arbitrations. Should these legal proceeding be allowed to proceed
8 concurrently with the arbitrations Guffey will be forced to incur (unnecessarily) an exuberant
9 amount of attorney fees and costs. Indeed, her time will be consumed with litigation matters that
10 will significantly burden her financially as well as emotionally. The stay in this matter will allow
11 the arbitration proceedings to flesh out the details of this case and expose if these claims from the
12 Receiver have merit or not.

14 Finally, Receiver continues to argue, without support that this Court already held claims
15 for fraud conspiracy, unjust enrichment, and the RICO claims could proceed in different forums.
16 Receiver failed to cite to any statement by this Court or any written order issued by this Court in
17 support of this position.

19 II.

20 CONCLUSION

21 Based upon the foregoing, Brenda Guffey respectfully requests that this Honorable
22 Court grant a stay of these pending the outcome of the Arbitration proceedings between Plaintiff
23

24 ///

25 ///

26 ///

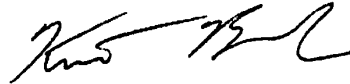
27 ///

28 KRB/26611

1 and the CTC and Criterion Defendants.

2 DATED this 18th day of September, 2020.

3 ALVERSON TAYLOR & SANDERS

4 

5 KURT R. BONDS, ESQ.

6 Nevada Bar #6228

7 TREVOR R. WAITE, ESQ.

8 Nevada Bar #13779

9 6605 Grand Montecito Parkway

10 Suite 200

11 Las Vegas, Nevada 89149

12 (702) 384-7000

13 Attorneys for BRENDA GUFFEY

14 **CERTIFICATE OF SERVICE VIA CM/ECF**

15 I hereby certify that I am employed in the County of Clark, State of Nevada, am over the
16 age of 18 years and not a party to this action. My business address is Alverson, Taylor & Sanders
17 6605 Grand Montecito Pkwy. #200 Las Vegas, NV 89149.

18 On this day, I served the **DEFENDANT BRENDA GUFFEY'S JOINDER TO THE**
19 **DEFENDANT THOMAS MULLIGAN'S REPLY IN SUPPORT OF JOINDER MOTION**
20 **TO STAY PENDING ARBITRATION** in this action or proceeding electronically with the
21 Clerk of the Court via the Odyssey E-File and Serve system, and e-served the same on all
22 parties listed on the Court's Master Service List. I certify under penalty of perjury that the
23 foregoing is true and correct, and that I executed this Certificate of Service on September 18,
24 2020 in Las Vegas, Nevada.

25 DATED THIS 18 day of September, 2020.

26 

27 An Employee of ALVERSON TAYLOR
28 & SANDERS

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KRB/26611

A-20-809963-B

**DISTRICT COURT
CLARK COUNTY, NEVADA**

Other Business Court Matters

COURT MINUTES

September 24, 2020

A-20-809963-B Barbara Richardson, Plaintiff(s)
vs.
Thomas Mulligan, Defendant(s)

September 24, 2020 3:00 PM Minute Order

HEARD BY: Denton, Mark R.

COURTROOM: Chambers

COURT CLERK: Madalyn Kearney

JOURNAL ENTRIES

Until further notice, Department 13 will be conducting court hearings REMOTELY using the BlueJeans Video Conferencing system. Department 13 has adopted this policy as a precautionary measure in light of public health concerns for Coronavirus COVID-19, and the Court orders that any party intending to appear before Department 13 for law and motion matters do so by BlueJeans only. As a result, your matter scheduled September 28, 2020 in this case will be conducted via BlueJeans. You have the choice to appear either by phone or computer/video.

Dial the following number: 1-408-419-1715

Meeting ID: 440 770 687

URL: [bluejeans.com/ 440770687](https://bluejeans.com/440770687)

To connect by phone, dial the number provided and enter the meeting ID followed by #.

To connect by computer if you do NOT have the app, copy the URL link into a web browser. Google Chrome is preferred but not required. Once you are on the BlueJeans website click on Join with Browser which is located on the bottom of the page. Follow the instructions and prompts given by BlueJeans.

You may also download the BlueJeans app and join the meeting by entering the meeting ID.

PLEASE NOTE the following protocol each participant will be required to follow:

- You will be automatically muted upon entry to the meeting. Please remain muted while waiting for your matter to be called. If you are connecting by phone, you can mute/unmute yourself by pressing *4.

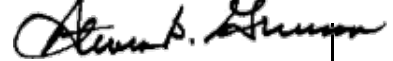
PRINT DATE: 09/24/2020

Page 1 of 2

Minutes Date: September 24, 2020

- Do NOT place the call on hold since some phones may play wait/hold music.
- Please do NOT use speaker phone as it causes a loud echo/ringing noise.
- Please state your name each time you speak so that the court recorder can capture a clear record.
- Please be mindful of rustling papers, background noise, and coughing or loud breathing.
- Please be mindful of where your camera is pointing.
- We encourage you to visit the Bluejeans.com website to get familiar with the BlueJeans phone/videoconferencing system before your hearing.
- If your hearing gets continued to a different date after you have already received this minute order please note a new minute order will issue with a different meeting ID since the ID number changes with each meeting/hearing.
- Please be patient if you call in and we are in the middle of oral argument from a previous case. Your case should be called shortly. Again, please keep your phone or computer mic on MUTE until your case is called.

CLERK'S NOTE: This Minute Order was electronically served by Courtroom Clerk, Madalyn Kearney, to all registered parties for Odyssey File & Serve. /mk 9/24/20



RTRAN

DISTRICT COURT
CLARK COUNTY, NEVADA

* * * * *

BARBARA RICHARDSON,)	
)	
)	CASE NO. A-20-809963-B
)	
Plaintiff,)	DEPT. NO. XIII
vs.)	
)	
THOMAS MULLIGAN, et al.,)	
)	
Defendants.)	
)	

BEFORE THE HONORABLE MARK R. DENTON, DISTRICT COURT JUDGE

MONDAY, SEPTEMBER 28, 2020

**RECORDER'S TRANSCRIPT OF HEARING:
ALL PENDING MOTIONS**

APPEARANCES:

FOR THE PLAINTIFF:	MARK E. FERRARIO, ESQ. KARA B. HENDRICKS, ESQ. <i>Via Video Conference</i>
FOR THE DEFENDANTS:	ROBERT S. LARSEN, ESQ. THOMAS E. McGRATH, ESQ. TAMARA BEATTY PETERSON, ESQ. CHRISTOPHER L. ROSE, ESQ. WILLIAM R. URGAS, ESQ. TREVOR WAITE ESQ. RACHEL WISE, ESQ. <i>Via Video Conference</i>

RECORDED BY: JENNIFER GEROLD, COURT RECORDER
TRANSCRIBED BY: VERBATIM DIGITAL REPORTING, LLC
(Hearing recorded via Video Conference/Audio)

1 LAS VEGAS, NEVADA, MONDAY, SEPTEMBER 28, 2020

2 (Case called at 10:40 a.m.)

3 THE COURT: All right. Reconvening the motions
4 calendar, calling the case of Barbara Richardson versus Thomas
5 Mulligan, et al. Appearances, I believe, were previously
6 noted. Do we have everybody on?

7 MR. ROSE: Your Honor, this is Chris Rose. I'm on.
8 I believe everyone should be on.

9 THE COURT: Right.

10 THE COURT RECORDER: Judge, I do need everyone to
11 state their appearance.

12 THE COURT: Okay.

13 MR. ROSE: Your Honor, Christopher Rose, the Six
14 Eleven Defendants.

15 THE COURT: All right.

16 MR. LARSON: Bob Larsen for Dan George, ICAP and
17 Lexicon.

18 THE COURT: Hello.

19 MR. McGRATH: Your Honor, Tom McGrath for defendants
20 Pavel Kapelnikov; Chelsea Financial Group, Inc., New Jersey;
21 Chelsea Financial Group, Inc., California; Global Forwarding
22 Enterprises, LLC; Capital Management Consulting, Inc.; and
23 Kapa Ventures, Inc.

24 MR. URGAS: Your Honor, William Urga on behalf of Tom
25 Mulligan.

1 THE COURT: All right.

2 MR. WAITE: Trevor Waite on behalf of Brenda Guffey.

3 MR. FERRARIO: Good morning, Your Honor. Mark
4 Ferrario and Kara Hendricks for the plaintiff.

5 THE COURT: Good morning.

6 MS. PETERSON: Good morning, Your Honor. Tammy
7 Peterson for Matthew Simon and Scott McCrae.

8 THE COURT: Good morning. Do we have everybody?

9 THE COURT RECORDER: I think Ms. Wise is on.

10 MS. WISE: Good morning. Good morning. This is
11 Rachel Wise for James Marx, John Maloney, Virginia Torres, and
12 Carlos Torres.

13 THE COURT: Good morning.

14 Are we ready to proceed then? Are we missing
15 anybody?

16 MR. ROSE: Yes, Your Honor.

17 THE COURT: Go ahead.

18 MR. ROSE: I'm sorry, Your Honor. This is
19 Christopher Rose. It's our motion. I'll proceed, if you'd
20 like.

21 THE COURT: Okay. This is Defendants' Motion to
22 Stay Pending Arbitration with several Joinders.

23 Okay. Go ahead.

24 MR. ROSE: Thank you, Your Honor.

25 So we are asking to Stay the District Court

1 proceedings pending the results of the arbitrations that were
2 compelled [inaudible] CTC and Criterion.

3 Your Honor, I want to highlight a few of the points
4 that there really isn't any dispute over, because I think
5 those really carried the day regarding the stay issue.

6 The first is that the claims in this case all arise
7 out of the contracts between the plaintiff, or Spirit, and CTC
8 and Criterion. And as the Court knows, this Court has ordered
9 the claims against CTC and Criterion to go to arbitration.
10 That's under Section 17 of the CTC Agreement, and Section 13
11 of the Criterion Agreement. Those claims are all in their own
12 arbitration and that's the first point.

13 The second point, Your Honor, no dispute by anyone,
14 in fact, it's conceded, that this Court has the power and the
15 ability to stay this matter pending the conclusion of those
16 -- those arbitrations. And that -- that powers not only from
17 case law, it's also set forth in Section 3 of the Federal
18 Arbitration Act which is what governs this matter.

19 We cited the Hill v. G E Power case. That's from
20 the Fifth Circuit. You've also seen the Leyva case from the
21 9th Circuit. No question about this Court's ability to stay
22 this matter.

23 And then the third matter, Your Honor, and I believe
24 this really is the key, is that the claims against all of my
25 clients -- my clients are nine different entities. All of

1 those claims are dependent and intertwined with the claims
2 that the plaintiff has alleged against CTC and Criterion.

3 In fact, the plaintiff doesn't even really allege
4 any wrongdoing by my client. They really just name my clients
5 as relief defendants. Their allegation -- and I'm referring
6 to paragraph 256 of the Complaint -- their allegation is that
7 the payments my clients received seem, open quote, "unusual",
8 close quote. And those are payments that they received --
9 alleged to have received CTC.

10 Your Honor, everything that the plaintiff alleges
11 against my client is completely dependent upon the outcome of
12 the claims that the plaintiff has alleged against CTC and
13 Criterion. And again, the key issue -- and there's no dispute
14 about that -- the plaintiff does not dispute that.

15 In fact, the plaintiff called my clients the piggy
16 banks for CTC and Criterion. So the plaintiff acknowledges,
17 Your Honor, that the claims are not only intertwined, but they
18 are dependent upon whether the plaintiff can prove its claims
19 against CTC and Criterion.

20 So, Your Honor, based on those undisputed facts and
21 those undisputed legal principles, it just makes no sense for
22 this case to proceed in District Court. It would be extremely
23 prejudicial for my clients to have to engage in what would be
24 essentially duplicate discovery, but also to face the risk of
25 these potential inconsistent results.

1 And that's the reason why, Your Honor, and you can
2 see in those cases, that's why the Arbitration Act allows for
3 a stay. It's to prevent prejudice. It's to promote
4 efficiency and in this case, Your Honor, it does both of those
5 things, not only for the parties, but also for the Court.

6 Your Honor, just a couple of points that the
7 plaintiff raises. The one thing they argue is that we should
8 have typed up and objected or -- or made some argument at the
9 time that CTC and Criterion moved to compel arbitration.

10 And, Your Honor, as we -- we put forth in our
11 briefing, there was really no reason for us to do it at that
12 time. We weren't seeking to go to arbitration, we weren't
13 taking a position for or against arbitration at that time.
14 There was no basis or reason for us to raise this issue,
15 unless this Court decided that the claims against CTC and
16 Criterion were going to go to arbitration.

17 And so, after this Court granted the Motions to
18 Compel Arbitration, we appropriately filed this Motion to Stay
19 for all the reasons that we've set forth.

20 And, Your Honor, the other issue that the plaintiff
21 raises is that the plaintiff is going to suffer some type of
22 harm or damage if the case is stayed. Your Honor, there's a
23 few reasons why that doesn't really carry any weight.

24 One is that the plaintiff agreed to arbitration.
25 And so, the plaintiff has these binding Arbitration Agreements

1 with CTC and Criterion, and now can't be heard to complain
2 that the facts, the allegations, the claims that it has
3 brought against CTC and Criterion, that those take place
4 there, and that the claims they've brought against the other
5 parties need to be stayed while that happens.

6 In other words, they can't get around the
7 Arbitration Agreements by naming the numerous other parties
8 that they have in this case who are not part of the
9 arbitration. All of the claims they've alleged in this case,
10 Your Honor, depend on the claims that they've alleged against
11 CTC and Criterion, so it's really not much of an argument to
12 say, were going to be prejudiced if we have to go prove our
13 case against CTC and Criterion.

14 And then they mention, Your Honor, some argument
15 about hundreds of unpaid claims. This is really the first
16 time we've heard about that. They don't present any proof of
17 that. It's not contained in any allegations of the Complaint.
18 So we don't think that's a basis to even consider -- should be
19 a factor in this analysis.

20 But even if there were unknown, unnamed claimants
21 out there, the question still remains -- and they don't
22 dispute this -- are the claims that they've alleged against my
23 clients intertwined with and dependent on the claims that
24 they've alleged against CTC and Criterion. That is
25 undisputed.

1 And nothing that the plaintiff has presented, Your
2 Honor, overcomes that. There's just no reason at all, legally
3 or factually, for this matter to proceed in District Court
4 until the plaintiff has completed arbitration against CTC and
5 Criterion. So, Your Honor, that's the basis for our --

6 THE COURT: Okay.

7 MR. ROSE: -- request to stay this matter, pending
8 the outcome of the arbitrations and we'd ask that a stay be
9 granted as to our clients.

10 THE COURT: I just have a [inaudible] questions.

11 First of all, is it fair for me to ask you what your
12 contention is relative to the effect of an arbitration
13 determination on the other defendants who are not in
14 arbitration? In other words, let's say that the plaintiffs go
15 to arbitration and win, what -- what would the contention be
16 at that point, if any?

17 MR. ROSE: Sure. Yes, Your Honor, I think that's a
18 fair question. If the plaintiff goes to arbitration and wins,
19 I think they've established their case against the CTC and
20 Criterion parties. The question is, does that mean that
21 they've automatically established their case against our
22 clients, and the answer is, no, because my clients are still
23 entitled to their day in court. And they're entitled to
24 present their defense, to have the evidence heard.

25 And so if the CTC and the Criterion defendants don't

1 do a very good job -- and I'm not saying they won't. They are
2 well-represented and I'm sure they will present their best
3 case. But whatever the CTC or Criterion defendants do or
4 don't do in that case, isn't necessarily going to be binding
5 on my client, because my clients still have the chance to
6 prove their defenses.

7 They don't have that chance in the arbitration, but
8 they would have that chance in this District Court proceeding
9 in the event the plaintiffs first overcome that initial hurdle
10 of proving their claims against CTC and Criterion.

11 So, Your Honor, there's -- our position is that
12 there's no effect if they -- if they prove their claims
13 against CTC and Criterion, no effect as to our ability to
14 raise our defenses. We still have that chance.

15 But the reverse is not true. In other words, if the
16 plaintiff goes to arbitration and they can't prove their
17 claims against CTC and Criterion, then they do not get to come
18 and proceed against my clients because -- and again, this is
19 undisputed -- everything that's alleged against my clients
20 depends and hinges upon them first prevailing as to CTC and
21 Criterion.

22 Your Honor, I -- hopefully that answered your
23 question.

24 THE COURT: That was one question.

25 Okay. The second one has to do with what procedures

1 would the arbitrator be able to implement relative to
2 discovery that would be applicable to the defendants who are
3 not in arbitration. Would you -- I'd like to get your
4 thinking about that.

5 MR. ROSE: Sure. Your Honor, I -- I don't believe
6 the arbitrators could necessarily make a -- impose a procedure
7 against my clients since they're not a party to the
8 arbitration.

9 Now, that said, could an Arbitrator allow for a
10 third-party discovery against -- against parties or entities
11 who are not part of that arbitration? Your Honor, I think the
12 answer to that would be, yes.

13 And so, if -- if the Arbitrator allowed, or someone
14 in the arbitration proceeding requested a deposition of one of
15 my clients, or a subpoena, a third-party subpoena of
16 documents, or something of that nature, I believe that
17 discovery would be allowed to proceed, Your Honor, depending
18 on what the arbitration procedures are.

19 So, I do think the arbitration, assuming that's
20 allowed and provided for and contracted for between the
21 plaintiff and CTC and Criterion, I do believe, Your Honor, as
22 in most arbitrations, that some third-party discovery would be
23 allowed, and that would include discovery from my clients.

24 Did that answer your question?

25 THE COURT: Yes. Thank you, (indiscernible) yes.

1 Anything else, Mr. Rose?

2 MR. ROSE: No, Your Honor. I think I've covered it.
3 Thank you.

4 THE COURT: Okay. Anybody want to speak in support
5 of the joinders?

6 MR. LARSEN: Good morning, Your Honor. Rob Larsen
7 on behalf of Dan George, Lexicon and ICAP Defendants.

8 I will make this very brief. I agree with
9 everything that Mr. Rose said in his portion of the argument.
10 And I don't want to recap the -- what's in our motion -- or
11 the joinder, which is the substantive joinder, and then also
12 the reply, but rather just to highlight just a couple of very
13 specific points which relate to -- to my clients and then also
14 I'd like to address those two questions that Your Honor has.

15 Number one, it's in the opposition, there were five
16 paragraphs that were referenced as -- by the plaintiff on why
17 the claims against Dan George, ICAP and Lexicon are separate
18 claims that are -- that are unrelated or to be maintained
19 separately from the CTC/Criterion arbitrations.

20 The problem is, is if you go and look at those
21 specific allegations that they -- they -- they reference, one
22 of them is a non-substantive allegation just talking about the
23 formation. The other four explicitly, on the face of the
24 allegation by the claim to wrongdoing that happened at CTC.

25 So what Mr. Rose said is absolutely correct. If CTC

1 wins in the arbitration, those claims are going to be very
2 difficult to come back into Court and maintain. And that's
3 based on the specific language in the allegations.

4 This is addressed in pages 4 and 5 of our reply. I
5 don't necessarily, unless you -- you want me to go through the
6 -- the specific -- the four specific allegations and the
7 language. But every one of them is tied directly to the
8 allegations against primarily CTC with respect to my clients.

9 So turning to the two questions that you asked --
10 you asked about. So what is the effect of the arbitration on
11 the non-participating defendants, those who are not in
12 arbitration. There is some effect. There are certain factual
13 issues related to CTC and Criterion that will be established
14 as a result of that arbitration. And those will likely be
15 brought back into the Court and there is a good chance that
16 the Court will give great weight to those determinations, not
17 necessarily fully finding, but certainly Your Honor, could
18 give significant weight to them.

19 What's different though is -- and -- and I agree
20 with Mr. Rose, is they still have to come back and prove the
21 wrongdoing by the various defendants. So it's not just CTC's
22 wrongdoing, but then they have to make the next step of each
23 specific defendant with respect to the -- the transactions
24 that are at issue with respect to that defendant, are also
25 improper.

1 So there -- so the arbitration does not -- if -- if
2 -- if the plaintiff were to win in the arbitration it does not
3 eliminate the case. However, it would streamline down certain
4 issues, and perhaps make the case a much narrower case than
5 what it is currently.

6 If you -- in the converse, though, as Mr. Rose
7 explained, if the plaintiff loses in the arbitration it's
8 going to be very difficult to maintain the separate
9 allegations because they're going to have to prove that all
10 these people did something improper through -- in our case,
11 through CTC, but what CTC did was okay. That would be the end
12 result of the arbitration.

13 So it's -- it's -- it's -- any argument they would
14 make would be somewhat circular and I -- I think would --
15 would fail on its face. But as Mr. Rose said, the reverse is
16 -- is not true.

17 The second question was, what about the procedure
18 with respect to the discovery responses, and discovery that
19 would potentially bind or affect those defendants which are
20 not on arbitration. Mr. Rose discussed the third party
21 discovery. Absolutely, all of that would be applicable.

22 And I think most importantly is to the extent there
23 is discovery against the third party defendants, and in this
24 case, my clients, if there's a definition allowed and taken in
25 the arbitration, or testimony during the arbitral proceeding,

1 that testimony is under oath. That means it will have an
2 effect on -- and bind my clients in what they were to testify
3 later on in this case. And again, that helps -- that
4 potentially could streamline discovery efforts in this case,
5 so there would not need -- need to be necessarily separate
6 proceedings.

7 In contrast, if there -- you know, if the Court were
8 to allow the arbitration to continue, as well as a -- this
9 lawsuit to continue against defendants, my clients, as well as
10 most of the other defendants, are going to be subjected to two
11 sets of discovery, obligations that will run, you know, at the
12 same time, where the claims would be much narrower after the
13 arbitration.

14 The judicial economy here is quite stark, and the
15 efficiency that would be gained is -- is significant, I think,
16 for all the defendants. We're talking, you know, a large
17 case, admittedly millions of dollars that the plaintiffs have
18 conceded, you know, are at issue here.

19 So you're not talking a small -- small number of --
20 of issues and a small amount of discovery. It will be
21 invasive. It will be expensive. A lot of ESI type -- type
22 discovery is -- is expected.

23 In the meantime, if the arbitration proceeds
24 separately, we are far less likely to incur needless expenses
25 if, indeed, CTC and Criterion are successful.

1 And then finally, I just -- one other point that I
2 wanted to make with respect to the -- the plaintiff's argument
3 that we didn't -- meaning my clients didn't step in and say
4 anything during the briefing on the Motion to Compel
5 Arbitration. Had we done so, the first thing that would have
6 been said for whichever side that felt that they wanted to
7 challenge us, is that we had enough standing to oppose or to
8 that argument.

9 We are not a party to the Arbitration Agreement. We
10 weren't. And so we really didn't have a ground to raise those
11 challenges at that time. However, once the Court granted the
12 arbitration and it reaffirmed that on the reconsideration, it
13 is right for us to identify to the Court the effect that that
14 ruling has on -- on my clients.

15 And lastly, to the argument about harm and that the
16 -- the plaintiff says that they're suffering harm. Claims
17 can't be -- can't be paid, etcetera.

18 Number one, the plaintiffs had an -- had an
19 obligation to bring this arbitration against CTC and the
20 Criterion defendants from the beginning. They didn't. They
21 chose to lump it all together, file a lawsuit first. They
22 should have arbitrated the case first.

23 So the harm is their own making. It's not the
24 defendants. It was their -- it was their choice to proceed in
25 this manner and now they need to live with the consequences of

1 that decision.

2 And then, second, and this is the last point unless
3 Your Honor has any questions, is that they have extended the
4 claim deadline to accommodate, you know, various payments
5 until May 31st of 2021. So we're talking several more months
6 before they're even going to be paying out any claims. And so
7 for them to say that there is harm now, that just simply isn't
8 true. There -- there may be some -- some small amount of
9 harm, but its not the -- the level that they --

10 THE COURT: [Inaudible].

11 MR. LARSEN: -- are claiming in their briefing. We
12 discuss that on page 7 in our reply.

13 Unless Your Honor has any other questions for me,
14 I'll submit the rest on our briefing.

15 THE COURT: All right. Thank you.

16 Any other -- anybody else want to speak in support
17 of joinder?

18 All right. Apparently, not so --

19 MR. URGAS: Your Honor, this is Bill Urga. I'll --
20 I'll -- I didn't hear anybody else speak up, so I'll take my
21 turn at it if the Court okay's it.

22 THE COURT: Yeah, go ahead.

23 MR. URGAS: All right. Thank you.

24 First of all, and the Court's aware of this, but you
25 know, there's a 79-page Complaint in this matter with 441

1 paragraphs, 19 claims for relief, over 30 defendants, and now
2 in seeking their opposition to the Motion to Stay, the
3 plaintiff now claims that these cases are against defendants
4 that are totally independent and not intertwined at all.

5 In essence, the receiver basically is saying that
6 the 30 plus defendants independently committed the wrongs
7 against Spirit. So the conduct of each defendant had nothing
8 to do with the conduct of any other defendant, but yet the
9 plaintiff claims that there's no basis for a stay of the
10 litigation while the arbitration proceeds. And then when they
11 filed their Opposition to the stay they have an absolutely 180
12 degree contrary position.

13 When they -- when they opposed the Motion to Compel
14 Arbitration they indicated that there were 30 plus separate
15 fraudulent enterprises with one single alleged enterprise.
16 And I've done this several times in our opposition and our
17 joinder. They have alleged that the hub of the wheel is CTC,
18 and obviously that means all the other defendants are the
19 spokes.

20 But when you look at the Complaint and you look at
21 their opposition to the Motion to Compel, it is obvious what
22 they have said. They've said that its alleged harm to Spirit
23 was caused, if at all -- and we're denying it -- by CTC and
24 Criterion. The liability of the defendants is premised on the
25 basis of alleged misconduct that is done by CTC and Criterion.

1 That's the hub of the action, not the spokes.

2 My client, Mr. Mulligan, has 12 claims against him.
3 Eight of those claims specifically are alleged to be with CTC.
4 And I don't want to go through the claims, because we've laid
5 them out in our Reply. But in addition to those eight claims,
6 there's two of them that argue a breach of -- of contract and
7 breach of fiduciary duty of the Spirit directors and they've
8 alleged somehow that my client is a director, which we deny.
9 There's another claim for alter ego which, again, all
10 circulates and focuses on CTC.

11 So, Your Honor, the bottom line is almost every
12 claim in this Complaint involves CTC and/or Criterion. Now,
13 the plaintiff is asking you to believe that, no, no, all these
14 claims against these defendants are independent of each other.
15 The conduct of one defendant is -- has nothing to do with the
16 alleged wrongful conduct of the other defendant.

17 They even allege they could have filed separate
18 Complaints. They absolutely say that the Complaints and the
19 position the receiver takes are just exactly opposite to what
20 they said in opposing the arbitration.

21 It's very unusual, to say the least, if you can say
22 in one motion that it's X, and now all of a sudden say, no,
23 not X, it's Y. The claims of the receiver in the Complaint
24 are not that 30 plus defendants separately had fraudulent
25 enterprises and actions against Spirit; it's a single one.

1 CTC was the hub and the rest of them all fall after that.

2 You know, and even if the receiver has acknowledged
3 in its opposition that there is a vast fraudulent enterprise,
4 multiple interrelated companies, interplay between them and
5 the claims asserted against them. Well, they've now said, oh,
6 there is this fraudulent enterprise and multiple interrelated
7 companies, and the interplay is -- is obvious.

8 Of course, we dispute that, because the real
9 dispute, as it's alleged in the 441 paragraph Complaint, is
10 against CTC and Criterion, because they're at the heart of the
11 case. As I've said, they're the hub of the wheel, the rest of
12 the defendants technically are the spokes.

13 And it's our position that the spokes should not --
14 should be stayed until the conclusion of the action against
15 the hub, which is the -- the arbitration provisions.

16 Now, turning to the points that the receiver made,
17 and I agree with Mr. Larsen, and I think Mr. Rose raised it,
18 too. Somehow there's some allegation that because my client
19 didn't say anything when there was Motions to Compel
20 Arbitration that somehow there's a waiver of our right to seek
21 a stay. Frankly, I think that's rather confusing, because I'm
22 not sure I understand exactly how that happens. But they cite
23 no authority for that proposition, yet they make that
24 allegation.

25 Criterion and CTC has alleged, and as the Court

1 knows, had contracts to arbitrate. My client cannot be held
2 to waive something that they stood neutral -- he stood neutral
3 on, because he was not a party to the -- the contract.

4 Likewise, I think the receiver's made some claims
5 that somehow because we are denying engaging in wrongful
6 conduct, yet at the same time, claiming they're intertwined,
7 that somehow we have now waived our rights to object, which
8 doesn't make sense to me.

9 Well, the next claim that they had is that -- that
10 somehow they -- this case and the claims they have are not
11 inexplicably intertwined. What they have done is made the
12 argument that all the plaintiff's claims are against
13 individual defendants, not against CTC as the hub of the
14 wheel.

15 But as we've alleged and has been set out, these in
16 fact are all based on what CTC did. So that these claims, I
17 don't understand how they now can make the allegations that
18 they are all independent. They could have filed independent
19 claims against all of these defendants, when there is the
20 exact same -- they've admitted, the receiver claims, they are
21 not -- somehow not intertwined, different and not separate
22 individual facts, discovery will not focus on the same conduct
23 and the same operative facts. That's what they have alleged
24 in opposing the stay, yet you go up and look in their motion
25 to oppose arbitration, it was exactly the opposite. It was

1 orchestrated --

2 THE COURT: Okay.

3 MR. URGAS: -- and a scheme by CTC to take money from
4 Spirit.

5 So, Your Honor, I think it's difficult to understand
6 how they can take that different position at this point in
7 time.

8 THE COURT: All right. Thank you.

9 Anybody else, joinder? Okay. I'll --

10 MS. WISE: [Inaudible] Your Honor, [inaudible].

11 THE COURT: Who is this?

12 MS. WISE: Rachel Wise.

13 THE COURT: Okay.

14 MS. WISE: Can you hear me?

15 UNIDENTIFIED SPEAKER: No.

16 MS. WISE: Hang on. Can you hear me now?

17 THE COURT: There's quite an echo there.

18 MS. WISE: I'm [inaudible] think it was working.

19 All right. Last try. Are we good?

20 THE COURT: That's better. That's better.

21 MS. WISE: Okay. Okay. I just want to -- I agree
22 with my co-defendants in this matter. They have sufficiently
23 stated our positions in this case. I just want to point out
24 our positions regarding our defendants in the matter which
25 are, again, the director defendants, Marx, Maloney and the

1 Torres, Carlos and Virginia Torres.

2 So we have briefed this. I just want to touch on it
3 briefly while we're here, that we identified plaintiff's
4 claims against our director defendants have to do with breach
5 of fiduciary duty and fraud. However, the breach of fiduciary
6 duty and the majority of their claims arise from the theory
7 that they -- our director defendants failed to exercise due
8 care or institute appropriate safeguards in their oversight of
9 the entity, which is Spirit.

10 So when this goes to arbitration, this review of
11 these contracts and review of CTC, as well as Criterion, is
12 going to be investigated. So these direct -- these contracts
13 which are our director defendants allegedly didn't have the
14 proper oversight of, are going to be central to this
15 investigation in the arbitration, whichever arbitration there
16 is.

17 These claims and allegations will be reviewed below.
18 Therefore, dependent on how the arbitration reaches a decision
19 will directly affect our litigation before you in the District
20 Court. So, for example, if an arbitrator finds that CTC acted
21 fraudulently below, then there is a less -- we'll still have
22 to litigate at the Court, I agree with my co-defendants with
23 that. However, there is a less of a chance that the director
24 defendants acted fraudulently or acted within a breach of the
25 fiduciary duty because they were misled, or that they -- they

1 [inaudible] fiduciary duty.

2 So those two examples, to answer your first question
3 about the affect of arbitration on our director defendants.
4 Regarding the arbitrator procedure, again, I agree with my co-
5 defendants. They have laid out all of this pretty
6 efficiently.

7 The third-party discovery, the witness testimony,
8 this will happen over and over again, but the big point is on
9 the depositions. It's not necessary the fact that these
10 depositions are testimony, the sheer cost of depositions alone
11 is going to be insurmountable to the majority of these
12 defendants.

13 They're going to either be video depositions. They
14 may or may not be in the same location (indiscernible) or not
15 occurring in Nevada. So whether or not we have to travel,
16 whether or not counsel must travel is a consideration that we
17 must take when we consider how much is going to be spent on
18 this.

19 And then finally, the -- the testimony regarding the
20 implementation of these contracts, again, is going to come out
21 during the discovery. Our director defendants, we expect to
22 receive subpoenas, we expect them to be deposed. We expect
23 this to occur as a portion of this arbitration process.

24 So we are -- if we proceed upon arbitration and upon
25 litigation, this will just be at the same time, duplicating

1 the process, which will create a cost that is merely
2 insurmountable for many of these defendants. And that's
3 [inaudible]. Thank you.

4 THE COURT: All right. Thank you.

5 All right. Mr. Ferrario, or Ms. Hendricks?

6 MR. FERRARIO: Thank you, Your Honor. Boy, there
7 was a lot said there. [Inaudible] if I can address this --

8 MR. URGAS: Your Honor, this Bill Urgas. He's very
9 garbled.

10 THE COURT: Yes, your sound quality is pretty bad,
11 Mr. Ferrario.

12 MR. FERRARIO: Is that bad?

13 THE COURT: It's really bad.

14 MR. FERRARIO: [Inaudible] off this phone. Hold on.
15 Can you just give me one second so that I might flip over to a
16 computer. Just -- just give me one second. Okay. I'm going
17 to test my -- my skills. Sorry, I've been having issues with
18 the phone all morning. Give me one second.

19 (Pause in the proceedings)

20 MR. FERRARIO: Can you hear me?

21 THE COURT: It sounds like there's still a little
22 bit of a --

23 MR. FERRARIO: All right. I think that's better,
24 Judge.

25 THE COURT: That's good. That's good. Yeah.

1 MR. FERRARIO: Is that better? I'm sorry.

2 THE COURT: Okay.

3 MR. FERRARIO: I've been having issues all morning.

4 THE COURT: Very good.

5 MR. FERRARIO: And I will mute the video because I'm
6 not dressed for -- I'm just not dressed for Court. This is my
7 -- this is my worst Bluejeans moment here. Here you go.

8 All right. Okay. Well, that was funny. But
9 there's nothing funny about the motion that's being made by
10 the defendants. And there was a lot packed into the
11 statements that were made today, but a few things really
12 jumped out at me.

13 And it started with your question of Mr. Rose right
14 at the beginning, which I think was really the right place to
15 start, asking him, well, what happens if Criterion loses? And
16 what happens if the arbitrations go in favor of the plaintiff?

17 Well, we want our day in court. That's not going to
18 be the end of anything. And then what happens after that? We
19 engage in a bunch of speculation about, well, if we have an
20 arbitration we might get discovery, we may not get discovery.
21 It could have an impact, it may not have an impact, it won't
22 be binding, it could be binding, it could narrow things.

23 You don't stay a case based on speculation. You
24 don't stay a case and deprive my client of their day in court
25 based on the rampant speculation of the defendants. Oh, and

1 what I heard just a little bit ago, the costs will be
2 overwhelming and they won't be able to pay. Where's the proof
3 of that?

4 So what we have here, Your Honor, is something that
5 really is an extraordinary request and -- and that's what the
6 law says. And I would call your attention to pages 19 and 20
7 of our motion. And these defendants don't even come close,
8 don't even come close to meeting the standards on a stay.

9 I'm going to quote from page 19 of our motion: "A
10 party seeking a stay must make out a clear case of hardship or
11 inequity in being required to go forward if there is even a
12 fair possibility that the stay for which he prays will work
13 damage to someone else. Only in rare circumstances will a
14 litigant in one case be compelled to stand aside while a
15 litigant in another settles the rule of law that will define
16 the rights of both."

17 Then, we continue on, and the Court then -- and
18 which we cite, it's a Florida court, Due to the potential for
19 damage to the non-moving party in the rare circumstances under
20 which a stay should be granted, Landis -- which everybody
21 referred to -- requires the movant to establish a hardship or
22 inequity, not merely saying that the stay will reduce its
23 burden.

24 The defendants haven't even come close to that, Your
25 Honor.

1 Now, we have addressed in our pleading why we have
2 an independent right to pursue all these claims. But I -- I
3 think it might be beneficial for the -- for us to go back in
4 time, because what's gotten lost here is, I represent the
5 receiver. We're here because an insurance company failed.
6 We're here because the folks on the other side cannot account
7 for now what is \$40 million that have been taken, that were --
8 that \$40 million that was taken from this insurance company.

9 Now, we didn't come into this case cavalierly or
10 lightly. We had a fight in front of Judge Alf to even get
11 the receivership started. And then there was an audit
12 conducted. And then we moved to filing the case.

13 Now, Your Honor has ruled that we have to go to
14 arbitration against two of the defendants. I have to respect
15 that ruling. I disagree with it, but I have to respect it.
16 So that's what we will have to do.

17 But someone said, we signed these Arbitration
18 Agreements. My client signed no Arbitration Agreement. The
19 enterprise entered into Arbitration Agreements with itself.
20 But Your Honor has said you want us to go to arbitration, then
21 we're going to have to respect that.

22 So we didn't agree to that. That's not what we
23 wanted to do. We wanted to try all the claims in one forum.
24 What we have now is the defendants are all piggybacking on
25 contracts to which they're not a party. If we're successful

1 in both of those arbitrations, we still have the fight we have
2 now.

3 So we don't delay that, Your Honor. We -- you don't
4 delay us from moving forward and going after what is
5 approximately \$18 million that was wrongfully obtained by
6 these remaining defendants. Now, it would be a different
7 story and it would be like some of the cases that they cite
8 where they -- they said, well, if that arbitration goes
9 against the receiver, we're off the hook. They were candid
10 enough not to stay that.

11 But in the cases that they cite, that would have
12 been exactly the result, and that's why stays were
13 implemented.

14 And something else that -- that has really kind of
15 gotten lost in this. And they say, well, there's no harm to
16 people. We've laid out who the claimants are here, Your
17 Honor. There are numerous claimants, numerous claimants with
18 severe injuries. Any delay in adjusting these claims is a
19 delay to a number of people.

20 But there's something else here that needs to be
21 said. The money that we're fighting over doesn't belong to
22 Mr. Mulligan, it doesn't belong to any of these people that
23 are defendants in the case. If there's a surplus, the money
24 goes back to the policyholders. That was the nature of this
25 venture. And that is one of the aspects of this case that's

1 kind of gotten lost.

2 So my client, pursuant to the insurance laws in the
3 State of Nevada, had to step in and pursue this receivership
4 action, to protect those that have been victimized by the
5 pilfering of over \$40 million, that they can't account for.

6 You know, if I was the defendant, and I was
7 confident in my case, I would welcome the opportunity to go to
8 Court and justify how the \$18 million that we're talking about
9 was appropriately obtained, so I could get out of this mess.

10 I wouldn't want to delay it and wait down the road a
11 year, or two or three if I was confident in my position. And
12 again, Your Honor, we don't have arbitration proceedings
13 pending. We may actually challenge Your Honor's ruling, quite
14 frankly, with a Writ, because we -- we disagree with it. But
15 absent some relief from the Supreme Court, we're going to have
16 to go forward with that.

17 But what -- what has crystalized during this hearing
18 is the defendants want nothing more than to delay. And that's
19 when you -- what you do when you have no defense. You delay.

20 Mr. Rose -- and it's come up a couple of times;
21 people want their day in court, after a bunch of other stuff
22 happens. I want my day in court now. And I'm entitled to
23 that under the rules and under the applicable case law.

24 So if you look -- and -- and -- and we've talked a
25 lot about inextricably intertwined and all the rest of that.

1 The fact is, Your Honor's broken the case up. We have to
2 live with that. And the fact is, we have separate and
3 independent claims as all these folks have acknowledged,
4 because if they weren't separate and independent, they'd be
5 bound by what happened in the arbitration.

6 So we have separate and independent claims for \$18
7 million that we should be allowed to pursue now. And you
8 asked questions about what -- what's the discovery obligations
9 in the arbitration and all the rest of that. We don't even
10 know that yet. We don't even know if discovery is going to be
11 allowed. That's up to whim and caprice of the arbitrators.

12 I'm dealing with that in an arbitration right now in
13 California, where they're just arbitrarily limiting the number
14 of depositions we can take. So we don't know how these are
15 going to proceed. And you don't stay a case where you have
16 speculation. And that's all you're getting from the
17 defendants. Speculation. What we have are claims that we can
18 pursue now, and we have a right to pursue now.

19 With that, Your Honor, I'll answer any questions you
20 may have.

21 THE COURT: No, that -- that's fine. Okay.

22 Mr. Rose?

23 MR. ROSE: Yes. Thank you, Your Honor.

24 I'm going to start where Mr. Ferrario began, which
25 is about the affect of the arbitration on the District Court

1 proceeding. His suggestion that if the plaintiff prevails in
2 arbitration, that we don't get our day in court. I've never
3 heard of anything like that. That's not an argument they make
4 in their brief. It's certainly not supported by case law, due
5 process. So, Your Honor, that's not a basis. That's
6 argument, but it's certainly not a basis to stay, and doesn't
7 address the -- the elements that the -- the Court is to
8 consider.

9 Let me bring up the next point he mentions about
10 discovery. And again, that's based on the question that this
11 Court mentioned earlier, which is what -- what can the
12 Arbitrator do in discovery. And Mr. Ferrario says, hey, it's
13 all just speculation. We have no idea what kind of discovery
14 we can get there.

15 And, Your Honor, I've got to tell you, I'm surprised
16 by that. These are contracts that the plaintiff is bound by.
17 They stepped into the shoes, meaning that Spirit negotiated
18 and agreed to these contractual arbitration provisions.

19 And so for the plaintiff now to show up and say, we
20 don't know what discovery we're entitled to, under the very
21 contracts that we're bound by, Your Honor, it's not an
22 argument that is even relevant, certainly cannot defeat the
23 case law, and Section 3 of the Federal Arbitration Act that
24 governs the decision here.

25 So the argument that the discovery, we don't know

1 what we're going to get, and it's speculation as to what
2 discovery we can get, again, not an argument that they made in
3 their briefing. And those are answers that they could have
4 gone to find out, Your Honor. And if they didn't like the
5 discovery, then Spirit's going to have to contract for that.

6 You know, their argument is, hey, we're the
7 receiver. But the fact is, the receiver -- or the State is
8 aware of those contracts that Spirit enters. And so it didn't
9 have to allow those contracts to be negotiated and agreed upon
10 and entered if it didn't like the arbitration provisions.

11 The -- the notion that [inaudible] and that they've
12 been precluded from trying to find out what discovery is
13 allowed, Your Honor, just doesn't carry any weight.

14 Let me go to the next point. Mr. Ferrario quoted
15 from page 19 of their Opposition brief. He read it, the block
16 quote that they put at the bottom of page 19 of their brief,
17 and this goes over to page 20. I'm glad he brought that up.

18 What Mr. Ferrario didn't mention is that that's a
19 case that he was quoting from the -- from the 9th Circuit.
20 It's the Lockyer case, Your Honor.

21 And so, while Mr. Ferrario quoted a paragraph from
22 that case, what [inaudible] is that the Court's decision in
23 that case had nothing to do with parties, some who were
24 compelled to go to arbitration and some who were not. That
25 case had nothing to do with an analysis about whether claims

1 were intertwined or dependent on each other.

2 The -- the decision in that case was not based on
3 Section 3 of their Arbitration Act. That case dealt with a
4 stay under the Bankruptcy Act and whether the Court acted
5 appropriately in how it handled that stay, completely
6 different fact scenario, Your Honor, that has [inaudible] to
7 do with what we're talking about here.

8 And so, I think that's important to point out,
9 because the plaintiff is relying on a case that factually is
10 night and day from the scenario that we're talking about here.
11 That's the second point.

12 Your Honor, the next point is the argument that Mr.
13 Ferrario makes about the defendants not being able to account
14 for \$40 million in funds. And he says they can't account for
15 it, they can't explain for it. But, Your Honor, what Mr.
16 Ferrario leaves out is who is the "they"? The "they" is not
17 my clients, which he's claiming about. It's the parties that
18 were responsible for running Spirit. That's Criterion and
19 that's CTC. And they were compelled to go to arbitration.

20 We understand the plaintiff feels very strongly
21 about their claims. They're going to get their chance to
22 prove their claims against CTC and Criterion in arbitration.

23 But, Your Honor, Mr. Ferrario's argument proves the
24 point that we're trying to make. They want to sit here and
25 argue that, hey, you spent \$40 million that you can't account

1 for. Well, that's my not my clients. [Inaudible] do is
2 [inaudible] first against the people you're complaining about,
3 the entities that you're claiming can't account for this \$40
4 million, and after you do that, then we can take a look at the
5 claims that the plaintiff has alleged against us.

6 So, Your Honor, Mr. Ferrario's proving our point by
7 the argument about the inability to [inaudible] that
8 [inaudible] prove and establish against the -- the parties
9 plaintiff admits are responsible and that's CTC [inaudible].

10 And then, Your Honor, with all due respect -- and I
11 have a great deal of respect for Mr. Ferrario, but [inaudible]
12 speculation when it comes to their argument that they don't
13 know what kind of discovery they can get in arbitration.

14 But they're right to rely on speculation when they
15 want to argue that there are multiple people, but we don't
16 know who they are, we don't know how they've been injured.
17 But their argument is there has been claimants with severe
18 injuries and they're not going to be able [inaudible].

19 Your Honor, that is the definition of speculation.
20 There has been nothing put before this Court that anyone has
21 brought claims, claims that cannot be readdressed or that --
22 that are going to be harmed or prejudiced in any way if this
23 Court [inaudible] the principles under Section 3 of the
24 Federal Arbitration Act and stays this case.

25 Again, it is speculation for the plaintiff to now

1 argue that some unknown claimants in some unknown places with
2 some unknown injuries somehow to play a factor in this Court's
3 decision about staying this case, a case where the plaintiffs,
4 again, admit that their allegations and claims against my
5 clients are inherently intertwined with and dependent upon the
6 claims they've alleged against CTC and Criterion.

7 Your Honor, and [inaudible] case law, facts make it
8 clear this case should be stayed pending the arbitration
9 result. Thank you.

10 THE COURT: Can you tell me what's happening
11 regarding the setting up of the arbitration?

12 MR. ROSE: Your Honor, was that a question for --
13 this is Chris Rose.

14 THE COURT: Yeah. Yeah.

15 MR. ROSE: Is that for --

16 THE COURT: For you. Yes, I mean, there are two
17 arbitrations, I should say. Where are we in terms of
18 establishing the arbitrations?

19 MR. ROSE: Your Honor, I -- I don't think I'm
20 qualified to answer that because my clients were not compelled
21 to go to arbitration.

22 THE COURT: And that's why I'm asking.

23 MR. ROSE: I would --

24 THE COURT: Um-h'm.

25 MR. ROSE: Yeah, I would imagine that the plaintiffs

1 having been compelled, they're the ones who need to file the
2 arbitration proceedings. But I'll let Mr. Ferrario talk to
3 that.

4 THE COURT: Yeah. Mr. Ferrario, what's -- you
5 mentioned a Writ possibility. I understand that. But where
6 are we in terms of getting arbitrations set up? In other
7 words, selecting arbitrators, etcetera?

8 MR. FERRARIO: Your Honor, can -- give me a second.
9 Ms. Hendricks is handling that and she's [inaudible] --

10 MS. HENDRICKS: I can address that, if you want.
11 I'm online. Can I hear me okay?

12 MR. FERRARIO: -- [inaudible] Your Honor.

13 THE COURT: Okay.

14 MR. FERRARIO: Yes.

15 THE COURT: Um-h'm.

16 MS. HENDRICKS: So, Your Honor, as you know, we
17 filed motions for reconsideration. One of the motion -- the
18 order was issued on the Motion for Reconsideration in the last
19 week or so. I received the other draft order last week and
20 we'll respond to that.

21 So those arbitrations have not been initiated. We
22 are just getting through the briefing and the orders related
23 to the motions that -- for reconsider that have been filed.
24 So neither one of the arbitrations have been initiated by
25 either party at this point.

1 THE COURT: Okay. Thank you.

2 Now, back to Mr. Rose. Not staying a case doesn't
3 mean that it has to go to trial at a certain point or that
4 dispositive motions are due. I mean, the case could be
5 partially stayed, right, relative to dispositive motions or
6 setting of trial, but not stayed relative to discovery and
7 things like that, isn't that a possibility?

8 MR. ROSE: Your Honor, I -- I don't know how that
9 would work, honestly, with a case as large as this, and that's
10 as dependent on the claims against CTC and Criterion as this
11 case is. I'm not -- I'm not sure how efficiently or
12 economically we could piecemeal stay it, staying certain
13 things and not staying other things.

14 And more importantly, again, I think it's just going
15 to be prejudicial to the parties to do anything other than a
16 stay that, you know, a stay other than the whole case. And
17 here's why. Because any discovery that the plaintiffs want,
18 they should be able to get in arbitration.

19 Now, I know Mr. Ferrario's disputing that. But by
20 his own admission, he doesn't know. And they're the
21 plaintiffs. They have the obligation. Those arbitration
22 proceedings should have been initiated already.

23 I understand that they don't like your ruling and
24 maybe they're going to challenge that. But that doesn't mean
25 that they haven't had the ability to initiate arbitration.

1 So, Your Honor, I don't know how the case could be
2 appropriately and fairly and economically managed, and managed
3 without prejudice to the parties if we were only going to stay
4 certain things, but not stay other things. I -- I really am
5 not sure --

6 THE COURT: [Inaudible] --

7 MR. ROSE: -- how that would work. And I'll just
8 mention again, that's not something that was briefed. I
9 understand that that's a question from the Court.

10 THE COURT: Yeah.

11 MR. ROSE: So I'm -- I'm not --

12 THE COURT: Have you --

13 MR. ROSE: -- sure how --

14 THE COURT: -- my question also goes to plaintiff's
15 counsel as -- I'm sorry, defendants' counsel, as well,
16 defendants seeking the stay. So what about a -- a partial
17 stay as opposed to a total stay? In other words, allow some
18 discovery to proceed, not set dispositive motion deadlines and
19 things like that, but permit some discovery to take place and
20 the case to go forward --

21 MR. FERRARIO: Your Honor, you --

22 THE COURT: -- limited purpose.

23 MR. FERRARIO: -- can -- I think you can stay
24 portions of the case. I think it's within your discretion.
25 Again, we would prefer to -- that no stay enter --

1 THE COURT: No stay? Right.

2 MR. FERRARIO: -- be entered. But -- but certainly,
3 if -- if -- you know, if you're going to manage the case that
4 way, then we -- we think we should be able to engage in
5 discovery. And again, the problem here is just -- the -- the
6 arbitration hasn't commenced. And, you know, with all due
7 respect to Mr. Rose, and anybody that's been in arbitration,
8 and -- and, Your Honor, fortunately hasn't, because you're on
9 the bench but --

10 THE COURT: Well, it's been a long time.

11 MR. FERRARIO: -- it's been a long time. But I can
12 tell you there is wide variation. I've got a number of them
13 going right now and -- and there's wide variation in terms of
14 what you're allowed to get in discovery.

15 So it -- it -- and again, the -- we have separate
16 and distinct claims against the remaining folks. And those
17 claims should be allowed to proceed. That's the -- that's the
18 problem that the defendants are having. They're saying, well,
19 let's just wait and see.

20 All we're doing is kicking this can down the road,
21 so we should manage the case appropriately so that we're not
22 starting over, or starting anew, a year or two from now when
23 the arbitrations are concluded, or if we get a ruling from the
24 Court, we're back here and everybody's in the same pot again.

25 So we should move forward with the claims that can

1 go forward. These are separate and distinct claims. And the
2 -- they have conceded, Your Honor, all of them, that the
3 arbitration isn't going to resolve these claims. The
4 arbitration's not going to resolve the claims.

5 So we have every right to proceed. And so if Your
6 Honor's inclined to issue a partial stay, we'll all figure
7 that out. We -- we've all -- are all veterans for them most
8 part of complex cases. So figuring out how we can move
9 forward efficiently and move this case along isn't that
10 difficult.

11 And I would just -- you know, this idea that we have
12 claimants that are speculative, on the other side, over in --
13 in Judge Allf's courtroom, where -- where the -- where the
14 receivership estate is being managed, I'll be happy to -- to
15 -- or I'll -- I'll be happy to let anybody on here come and
16 look at the claims that we have from the people that have been
17 injured around the country. That's not something I'm making
18 up. There's no speculation there.

19 So that's part of being a receiver. That's what
20 we're doing. This is not an academic exercise. We're
21 marshaling assets to pay policyholders and to pay claimants.
22 If we had no claimants or we had no policyholders, I wouldn't
23 be here.

24 THE COURT: Okay. All right. Thank you.

25 Mr. Rose, I always let the moving party have the

1 last word. Mr. Rose?

2 MR. ROSE: All right. Thank you, Your Honor.

3 So what Mr. Ferrario mentioned there, as far as
4 still not being aware of what they're allowed to get in
5 arbitration, Your Honor, that's -- that's something that my
6 client does not control. That's something they control. And
7 they've had the agreements. They've had the ability to start
8 arbitration or to look at the rules that would govern that
9 arbitration procedure. That's not a reason to not stay this
10 case.

11 And, Your Honor, if this case is stayed, as it
12 should be, and the plaintiff gets down the road to
13 arbitration, and they can't get the discovery that they want
14 if they can't do a subpoena or take a deposition of one of the
15 other co-defendants, this Court can come back and -- and --
16 and amend its decision.

17 The plaintiff can come back and report to this Court
18 and say, you know what, we need such and such discovery from
19 -- some of the clients or parties in this case, and we can't
20 get that. We are barred in arbitration from getting that. If
21 they come back to this Court, Your Honor, with that kind of
22 presentation, this Court can decide then whether to limit the
23 stay, or to reopen it, reopen the case for a limited purpose.

24 But now, right now, just based on the speculation
25 that the plaintiff is not sure what discovery they're going to

1 get, that's not a reason to deny a stay. That's the first
2 point.

3 The second point, Your Honor, is, is Mr. Ferrario
4 raises an argument right now that contradicts what they argued
5 in their 28-page opposition and certainly contradicts the --
6 the claims in their Complaint.

7 He just argued right now that we have separate and
8 distinct claims against the defendants. As it pertains to my
9 clients, Your Honor, that is not true, and they know it and
10 they conceded it.

11 And in their Opposition, not once did they argue or
12 try to argue that they have separate and standalone claims
13 against my client. And they can't do that, Your Honor.

14 If you look at the Complaint, they alleged I don't
15 know how many claims for relief, 19 or so. They don't mention
16 my clients until the 11th claim for relief. And you know what
17 the claim is? It's for unjust enrichment by claiming that CTC
18 or Criterion made payments to my clients that should not have
19 been made.

20 I won't go through the other claims and allegations,
21 Your Honor. But this case is not a case that alleges separate
22 and distinct claims. Every single allegation, every single
23 claim against my client, and against most of the other
24 defendants, Your Honor, are all dependent on the plaintiff
25 first proving their claims against CTC and Criterion. And,

1 you know, that's based on the pleadings, that's based on the
2 plaintiff's own argument. And in those circumstances, Your
3 Honor, much different than the case law that -- that the
4 plaintiff was trying to rely on, in those circumstances, that
5 is a classic case for a stay of the proceedings until the
6 arbitration concludes. Thank you.

7 THE COURT: All right. Thank you, counsel. The
8 matter stands submitted. I need to review it a bit further
9 before I can issue my ruling on this and I'll do so as quickly
10 as I can. Thank you very much.

11 UNIDENTIFIED SPEAKER: Thank you, Your Honor.

12 THE COURT: I'd like my staff to remain on, please.

13 MR. ROSE: Thank you, Your Honor.

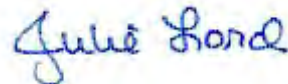
14 THE COURT: Thank you.

15 UNIDENTIFIED SPEAKER: Thank you.

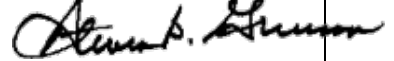
16 (Court recessed at 11:45 a.m.)

17 * * * * *

ATTEST: I hereby certify that I have truly and correctly
transcribed the audio/visual proceedings in the above-entitled
case to the best of my ability.



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Criterion Claim Solutions of Omaha, Inc.

11 DISTRICT COURT

12 CLARK COUNTY, NEVADA

13 BARBARA D. RICHARDSON IN HER
14 CAPACITY AS THE STATUTORY
15 RECEIVER FOR SPIRIT COMMERCIAL
16 AUTO RISK RETENTION GROUP, INC.,

Plaintiff,

17 vs.

18 THOMAS MULLIGAN, an individual; CTC
19 TRANSPORTATION INSURANCE SERVICES
20 OF MISSOURI, LLC, a Missouri Limited
21 Liability Company; CTC TRANSPORTATION
22 INSURANCE SERVICES LLC, a California
23 Limited Liability Company; CTC
24 TRANSPORTATION INSURANCE SERVICES
25 OF HAWAII LLC, a Hawaii Limited Liability
26 Company; CRITERION CLAIMS SOLUTIONS
27 OF OMAHA, INC., a Nebraska Corporation;
28 PAVEL KAPELNIKOV, an individual;
CHELSEA FINANCIAL GROUP, INC., a
California Corporation; CHELSEA FINANCIAL
GROUP, INC., A Missouri Corporation;
CHELSEA FINANCIAL GROUP, INC., a New
Jersey Corporation d/b/a CHELSEA PREMIUM
FINANCE CORPORATION; CHELSEA
FINANCIAL GROUP, INC., a Delaware
Corporation; CHELSEA HOLDING
COMPANY, LLC, a Nevada Limited Liability
Company; CHELSEA HOLDINGS, LLC, a
Nevada Limited Liability Company;

Case No. A-20-809963-B

Dept. No. XIII

**NOTICE OF ENTRY OF ORDER
DENYING PLAINTIFF'S MOTION FOR
RECONSIDERATION AND/OR
CLARIFICATION OF THE COURT'S
JULY 22, 2020 ORDER REGARDING
CRITERION CLAIM SOLUTIONS OF
OMAHA, INC.'S MOTION TO COMPEL
ARBITRATION**

1 FOURGOREAN CAPITAL, LLC, a New Jersey
2 Limited Liability Company; KAPA
3 MANAGEMENT CONSULTING, INC., a New
4 Jersey Corporation; KAPA VENTURES, INC., a
5 New Jersey Corporation; GLOBAL
6 FORWARDING ENTERPRISES LIMITED
7 LIABILITY COMPANY, a New Jersey Limited
8 Liability Company; GLOBAL CAPITAL
9 GROUP, LLC, a New Jersey Limited Liability
10 Company; GLOBAL CONSULTING; NEW
11 TECH CAPITAL, LLC, a Delaware Limited
12 Liability Company; LEXICON INSURANCE
13 MANAGEMENT LLC, a North Carolina
14 Limited Liability Company; ICAP
15 MANAGEMENT SOLUTIONS, LLC, a
16 Vermont Limited Liability Company; SIX
17 ELEVEN LLC, a Missouri Limited Liability
18 Company; 10-4 PREFERRED RISK
19 MANAGERS INC., a Missouri Corporation;
20 IRONJAB LLC, a New Jersey Limited Liability
21 Company; YANINA G. KAPELNIKOV, an
22 individual; IGOR KAPELNIKOV, an individual;
23 QUOTE MY RIG LLC, a New Jersey Limited
24 Liability Company; MATTHEW SIMON, an
25 individual; DANIEL GEORGE, an individual;
26 JOHN MALONEY, an individual; JAMES
27 MARX, an individual; CARLOS TORRES, an
28 individual; VIRGINIA TORRES, an individual;
SCOTT McCRAE, an individual; BRENDA
GUFFEY, an individual; 195 GLUTEN FREE
LLC, a New Jersey Limited Liability Company,
DOE INDIVIDUALS I-X; and ROE
CORPORATE ENTITIES I-X,

Defendants.

TO: ALL INTERESTED PARTIES

PLEASE TAKE NOTICE that an Order Denying Plaintiff's Motion for Reconsideration
and/or Clarification of the Court's July 22, 2020 Order Regarding Criterion Claim Solutions of

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1 Omaha, Inc.'s Motion to Compel Arbitration was entered on the 29th day of September, 2020. A
2 true and correct copy of which is attached hereto.

3 DATED this 29th day of September, 2020.

4 BAILEY ♦ KENNEDY

6 By: /s/ Joshua M. Dickey

7 JOHN R. BAILEY

8 JOSHUA M. DICKEY

9 REBECCA L. CROOKER

10 *Attorneys for Defendant*

11 *Criterion Claim Solutions of Omaha, Inc.*

CERTIFICATE OF SERVICE

I certify that I am an employee of BAILEY ♦ KENNEDY and that on the 29th day of September, 2020, service of the foregoing **NOTICE OF ENTRY OF ORDER DENYING PLAINTIFF'S MOTION FOR RECONSIDERATION AND/OR CLARIFICATION OF THE COURT'S JULY 22, 2020 ORDER REGARDING CRITERION CLAIM SOLUTIONS OF OMAHA, INC.'S MOTION TO COMPEL ARBITRATION** was made by mandatory electronic service through the Eighth Judicial District Court's electronic filing system and/or by depositing a true and correct copy in the U.S. Mail, first class postage prepaid, and addressed to the following at their last known address:

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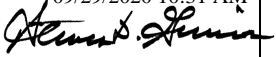
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DISTRICT COURT
CLARK COUNTY, NEVADA

18 BARBARA D. RICHARDSON IN HER
19 CAPACITY AS THE STATUTORY
20 RECEIVER FOR SPIRIT COMMERCIAL
21 AUTO RISK RETENTION GROUP, INC.,

22 Plaintiff,

23 vs.

24 THOMAS MULLIGAN, an individual; CTC
25 TRANSPORTATION INSURANCE SERVICES
26 OF MISSOURI, LLC, a Missouri Limited
27 Liability Company; CTC TRANSPORTATION
28 INSURANCE SERVICES LLC, a California
Limited Liability Company; CTC
TRANSPORTATION INSURANCE SERVICES
OF HAWAII LLC, a Hawaii Limited Liability
Company; CRITERION CLAIMS SOLUTIONS
OF OMAHA, INC., a Nebraska Corporation;
PAVEL KAPELNIKOV, an individual;
CHELSEA FINANCIAL GROUP, INC., a
California Corporation; CHELSEA FINANCIAL
GROUP, INC., A Missouri Corporation;
CHELSEA FINANCIAL GROUP, INC., a New
Jersey Corporation d/b/a CHELSEA PREMIUM
FINANCE CORPORATION; CHELSEA
FINANCIAL GROUP, INC., a Delaware
Corporation; CHELSEA HOLDING
COMPANY, LLC, a Nevada Limited Liability
Company; CHELSEA HOLDINGS, LLC, a
Nevada Limited Liability Company;
FOURGOLEAN CAPITAL, LLC, a New Jersey
Limited Liability Company; KAPA
MANAGEMENT CONSULTING, INC., a New

Case No. A-20-809963-B

Dept. No. XIII

**ORDER DENYING PLAINTIFF'S
MOTION FOR RECONSIDERATION
AND/OR CLARIFICATION OF THE
COURT'S JULY 22, 2020 ORDER
REGARDING CRITERION CLAIM
SOLUTIONS OF OMAHA, INC.'S
MOTION TO COMPEL ARBITRATION**

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Jersey Corporation; KAPA VENTURES, INC., a New Jersey Corporation; GLOBAL FORWARDING ENTERPRISES LIMITED LIABILITY COMPANY, a New Jersey Limited Liability Company; GLOBAL CAPITAL GROUP, LLC, a New Jersey Limited Liability Company; GLOBAL CONSULTING; NEW TECH CAPITAL, LLC, a Delaware Limited Liability Company; LEXICON INSURANCE MANAGEMENT LLC, a North Carolina Limited Liability Company; ICAP MANAGEMENT SOLUTIONS, LLC, a Vermont Limited Liability Company; SIX ELEVEN LLC, a Missouri Limited Liability Company; 10-4 PREFERRED RISK MANAGERS INC., a Missouri Corporation; IRONJAB LLC, a New Jersey Limited Liability Company; YANINA G. KAPELNIKOV, an individual; IGOR KAPELNIKOV, an individual; QUOTE MY RIG LLC, a New Jersey Limited Liability Company; MATTHEW SIMON, an individual; DANIEL GEORGE, an individual; JOHN MALONEY, an individual; JAMES MARX, an individual; CARLOS TORRES, an individual; VIRGINIA TORRES, an individual; SCOTT McCRAE, an individual; BRENDA GUFFEY, an individual; 195 GLUTEN FREE LLC, a New Jersey Limited Liability Company, DOE INDIVIDUALS I-X; and ROE CORPORATE ENTITIES I-X,

Defendants.

Plaintiff's Motion for Reconsideration and/or Clarification of the Court's July 22, 2020 Order regarding Criterion Claim Solutions of Omaha, Inc.'s Motion to Compel Arbitration ("Motion") having been presented to the Court and taken under advisement; the Court, after having reviewed and considered the papers submitted by the parties, being fully apprised of the premises, and for good cause appearing, hereby makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

On May 14, 2020, Criterion Claim Solutions of Omaha, Inc. ("Criterion") filed a Motion to Compel Arbitration with respect to all claims asserted against it by the Plaintiff. On July 20, 2020, this Court entered an Order granting Criterion's Motion to Compel Arbitration in its entirety and dismissing Criterion from this case without prejudice. Subsequently, on August 5, 2020, the Plaintiff filed the Motion.

CONCLUSIONS OF LAW

To move for reconsideration, a party must have “sufficient cause.” *Trail v. Faretto*, 91 Nev. 401, 403, 536 P.2d 1026, 1027 (1975). A court may only “reconsider a previously decided issue if substantially different evidence is subsequently introduced or the decision is clearly erroneous.” *Masonry & Tile Contrs. v. Jolley, Urga & Wirth Ass’n*, 113 Nev. 737, 741, 941 P.2d 486, 489 (1997). “Only in *very rare instances in which new issues of fact or law are raised* supporting a ruling contrary to the ruling already reached should a motion for rehearing be granted.” *Moore v. City of Las Vegas*, 92 Nev. 402, 405, 551 P.2d 244, 246 (1976) (emphasis added).

Here, the Plaintiff fails to meet the standard for reconsideration, as she raises no new issues of facts or law, provides no new evidence, and provides no compelling arguments that this Court’s granting of Criterion’s Motion to Compel was clearly erroneous.

ORDER

Based on the foregoing findings of fact and conclusions of law, and for good cause appearing,

IT IS HEREBY ORDERED that the Motion shall be, and hereby is, DENIED.

IT IS FURTHER ORDERED that Criterion’s request for attorneys’ fees shall be, and hereby is, DENIED.

DATED this ____ day of _____, 2020.

Dated this 29th day of September, 2020



HONORABLE MARK R. DENTON

DISTRICT COURT JUDGE

65B D08 D2DE F152
Mark R. Denton
District Court Judge

Respectfully prepared and submitted by:

BAILEY❖KENNEDY

By: /s/ Joshua M. Dickey

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*Attorneys for Defendant Criterion Claim
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1 **Approved as to Form by:**

2 GREENBERG TRAURIG, LLP

3
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8 *Attorneys for Plaintiff Barbara D.*
9 *Richardson in Her Capacity as*
10 *Statutory Receiver for Spirit*
11 *Commercial Auto Risk Retention*
12 *Group, Inc.*

A-20-809963-B

**DISTRICT COURT
CLARK COUNTY, NEVADA**

Other Business Court Matters

COURT MINUTES

October 02, 2020

A-20-809963-B Barbara Richardson, Plaintiff(s)
vs.
Thomas Mulligan, Defendant(s)

October 02, 2020 1:30 PM Minute Order

HEARD BY: Denton, Mark R.

COURTROOM: Chambers

COURT CLERK: Madalyn Kearney

JOURNAL ENTRIES

HAVING further reviewed and considered the parties' filings and the argument of counsel pertaining to the Motion to Stay Pending Arbitration filed by Defendants Six Eleven LLC et al. on August 28, 2020 and the Joinders thereto, heard and taken under advisement on September 28, 2020, and being now fully advised in the premises, and without, at this time, intending to intimate any opinion regarding the ultimate effect of the arbitration determinations, but being persuaded by the Motion/Joinders that Plaintiff's claims against the Defendants are so intertwined with those against the parties subject to arbitration that a stay is warranted for the reasons advanced by Defendants, the Court GRANTS the Motion/Joinders.

Counsel for moving Defendants is directed to submit a proposed order consistent herewith and with briefing and argument supportive of the same after providing it to all counsel for signification of approval/disapproval. Instead of seeking to clarify or litigate meaning or any disapproval through correspondence to the Court or to counsel with copies to the Court, any such clarification or disapproval should be the subject of appropriate motion practice.

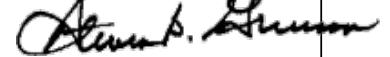
IT IS SO ORDERED.

CLERK'S NOTE: This Minute Order was electronically served by Courtroom Clerk, Madalyn Kearney, to all registered parties for Odyssey File & Serve. /mk 10/2/20

PRINT DATE: 10/02/2020

Page 1 of 1

Minutes Date: October 02, 2020



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11 *New Tech Capital LLC; 195 Gluten Free LLC; 10-4 Preferred*
12 *Risk Managers, Inc.; Ironjab, LLC; Fourgorean Capital LLC;*
Chelsea Holding Company, LLC; and Chelsea Financial Group, Inc. (Missouri)

13 **DISTRICT COURT**

14 **CLARK COUNTY, NEVADA**

15 BARBARA D. RICHARDSON IN HER
16 CAPACITY AS THE STATUTORY RECEIVER
17 FOR SPIRIT COMMERCIAL AUTO
18 RETENTION GROUP, INC.,

19 Plaintiff,

20 vs.

21 THOMAS MULLIGAN, an individual; et al.,

22 Defendants.
23

CASE NO.: A-20-809963-B
DEPT NO.: 13

24 **ORDER GRANTING MOTION**
25 **TO STAY PENDING**
26 **ARBITRATION AND**
27 **JOINDERS THERETO**

Hearing Date: September 28, 2020
Hearing Time: 9:00 a.m.

28 Defendants Six Eleven, LLC, Quote My Rig, LLC, New Tech Capital, LLC, 195 Gluten
Free, LLC, 10-4 Preferred Risk Managers, Inc., Ironjab, LLC, Fourgorean Capital, LLC, Chelsea
Holding Company, LLC, and Chelsea Financial Group, Inc. (Missouri) (herein collectively
referred to as "Six-Eleven Defendants") filed their Motion to Stay Pending Arbitration (the
"Motion to Stay") on August 28, 2020.

1 Defendants Brenda Guffey, James Marx, John Maloney, Virginia Torres, Carlos Torres,
2 Lexicon Insurance Management, LLC, Daniel George, ICAP Management Solutions, LLC,
3 Matthew Simon, Jr., Scott McCrae, Pavel Kapelnikov, Chelsea Financial Group, Inc. (New
4 Jersey), Chelsea Financial Group, Inc. (California), Global Forwarding Enterprises, LLC, Kapa
5 Management Consulting, Inc., Kapa Ventures, Inc., Igor Kapelnikov, Yanina Kapelnikov, and
6 Thomas Mulligan (collectively “Defendants”)¹ filed substantive Joinders to the Six-Eleven
7 Defendants’ Motion to Stay on September 2 and 3, 2020 (“Joinders”).

8 Plaintiff Barbara D. Richardson, in her capacity as the Statutory Receiver for Spirit
9 Commercial Auto Risk Retention Group, Inc. (“Plaintiff”) filed her Opposition to the Motion to
10 Stay and Joinders Thereto on September 11, 2020 (“Opposition”).

11 Defendants Thomas Mulligan, James Marx, John Maloney, Virginia Torres, Carlos
12 Torres, Lexicon Insurance Management, LLC, Daniel George, ICAP Management Solutions,
13 LLC, Brenda Guffey, and the Six Eleven Defendants filed Replies in Support of Motion to Stay
14 on September 16, 2020 (“Replies”).

15 On September 28, 2020, 9:00 a.m., the Six-Eleven Defendants’ Motion to Stay and
16 Defendants’ Joinders thereto came on for hearing before the Honorable Mark R. Denton. L.
17 Christopher Rose, Esq. of Howard & Howard Attorneys, PLLC appeared on behalf of the Six-
18 Eleven Defendants; Mark E. Ferrario, Esq. and Kara B. Hendricks, Esq. of Greenberg Traurig,
19 LLP appeared on behalf of Plaintiff; William R. Urga, Esq. of Jolley, Urga, Woodbury & Holthus
20 appeared on behalf of Defendant Thomas Mulligan; Thomas E. McGrath, Esq. of Tyson &
21 Mendes, LLP appeared on behalf of Defendants Pavel Kapelnikov, Chelsea Financial Group, Inc.
22 (New Jersey), Chelsea Financial Group, Inc. (California), Global Forwarding Enterprises, LLC,
23 Kapa Management Consulting, Inc., Kapa Ventures, Inc., Igor Kapelnikov and Yanina
24 Kapelnikov; Tamara Beatty Peterson, Esq. of Peterson Baker, LLC appeared on behalf of
25 Defendants Matthew Simon Jr. and Scott McCrae; Robert S. Larsen, Esq. of Gordon, Rees,
26 Scully, Mansukhani, LLP appeared on behalf of Defendants Lexicon Insurance Management,
27

28 ¹ The term Defendants refers to and includes the Six-Eleven Defendants in the Findings of Fact and
Conclusions of Law.

1 LLC, Daniel George and ICAP Management Solutions, LLC; Trevor R. Waite, Esq. of Alverson,
2 Taylor & Sanders appeared on behalf of Defendant Brenda Guffey; and Rachel L. Wise, Esq. of
3 Wilson, Elser, Moskowitz, Edelman & Dicker, LLP appeared on behalf of Defendants James
4 Marx, John Maloney, Virginia Torres and Carlos Torres.

5 Following the parties' extensive oral arguments, the Court took the Motion to Stay and
6 Joinders thereto under advisement. Having further reviewed and considered the parties' filings
7 and the argument of counsel pertaining to the Motion to Stay filed by the Six-Eleven Defendants
8 on August 28, 2020 and the Defendants' Joinders thereto, and being now fully advised in the
9 premises, and without, at this time, intending to intimate any opinion regarding the ultimate effect
10 of the arbitration determinations, but being persuaded by the Motion to Stay and the Joinders that
11 Plaintiff's claims against all of the Defendants are so intertwined with those against the parties
12 subject to arbitration that a stay is warranted for the reasons advanced by Defendants, hereby
13 finds and concludes as follows:

14 **FINDINGS OF FACT**

15 1. Spirit Commercial Auto Risk Retention Group, Inc. ("Spirit") is an insurance
16 company formed to transact commercial auto liability insurance, which specialized in insuring
17 commercial truck owners.

18 2. On January 11, 2019, the Nevada Insurance Commissioner (the "Commissioner")
19 filed a Petition for Appointment of Commissioner as Receiver in the Eighth Judicial District Court
20 of Nevada, case no.: A-19-787325-B (the "Petition"). On February 27, 2019, the Honorable
21 Nancy J. Allf granted the Petition and appointed the Commissioner as Spirit's Permanent
22 Receiver.

23 3. On February 6, 2020, the Commissioner in her capacity as the Permanent Receiver
24 for Spirit initiated the present action by filing a 79-page Complaint asserting 19 causes of action
25 against CTC Transportation Insurance Services of Missouri, LLC, CTC Transportation Insurance
26 Services, LLC, and CTC Transportation Insurance Services of Hawaii, LLC (collectively "CTC")
27 and Criterion Claim Solutions of Omaha, Inc. ("Criterion") and the Defendants.
28

1 4. Plaintiff alleges the following causes of action in her Complaint: (1) Breach of
2 Contract against CTC; (2) Breach of Contract against Lexicon; (3) Breach of Contract against
3 Criterion; (4) Breach of Contract against the Spirit Director Defendants; (5) Breach of Fiduciary
4 Duty against CTC and Lexicon; (6) Breach of Fiduciary Duty against the Spirit Director
5 Defendants; (7) Breach of Implied Covenant of Good Faith and Fair Dealing – Tortious against
6 CTC and Lexicon; (8) Breach of Implied Covenant of Good Faith and Fair Dealing – Contract
7 against CTC and Lexicon; (9) Breach of Implied Covenant of Good Faith and Fair Dealing –
8 Contract against Criterion; (10) Nevada RICO Claims against Mulligan, George, Simon, Guffey,
9 McCrae, Kapelnikovs, CTC, Lexicon, and Criterion; (11) Unjust Enrichment against all
10 Defendants; (12) Frauds against all Defendants²; (13) Civil Conspiracy against all Defendants;
11 (14) Alter Ego against Mulligan, George, Guffey, Simon³, and Pavel Kapelnikov; (15) NRS 112
12 – Avoidance of Transfers against CTC and its Transferees; (16) NRS 696B – Voidable Transfers
13 against CTC and its Transferees; (17) NRS 696B – Recovery of Distributions and Payments
14 against CTC and its Transferees; (18) NRS 692C.402 – Recovery of Distributions and Payments
15 against CTC and its Transferees; and (19) NRS 78.300 – Recovery of Unlawful Distribution
16 against the Spirit Director Defendants. (Complaint, Feb. 6, 2020, on file.)

17 5. In her Complaint, Plaintiff alleges that CTC served as the Program Administrator
18 for Spirit and was responsible for a multitude of responsibilities concerning Spirit’s insurance
19 business, including collecting premiums from insureds and holding the collected money in a trust
20 account for the benefit of Spirit.

21 6. Moreover, Plaintiff alleges that Criterion was a Third-Party Administrator that
22 provided claims administration services to Spirit and was responsible for establishing loss
23 reserves, settling claims, and issuing loss payments.

24 7. In her Complaint, Plaintiff asserts that CTC and Criterion mismanaged the funds,
25 assets, and dues owed to Spirit by improperly using said funds to enrich other entities and
26

27 ² The Twelfth Claim for Relief for Fraud as to Defendants Scott McCrae and Matthew Simon, Jr. was
28 dismissed by Order filed August 10, 2020.

³ The Fourteenth Claim for Relief for Alter Ego as to Defendant Matthew Simon, Jr. was dismissed with
prejudice by Order filed August 10, 2020.

1 individuals, who Plaintiff has named as Defendants in this matter. As a result of this alleged
2 conduct, Plaintiff alleges that Spirit became insolvent and placed it into Receivership and
3 liquidation.

4 8. Plaintiff alleges that CTC has misappropriated in excess of \$43 million from Spirit
5 and has characterized CTC as the “hub of a wheel, [which] was at the center of the scheme that
6 caused the insolvency of Spirit...”

7 9. On May 14, 2020, CTC and Criterion filed Motions to Compel Arbitration
8 pursuant to the applicable arbitration provisions in their respective agreements with Spirit.

9 10. The Court granted CTC and Criterion’s Motions to Compel Arbitration, finding
10 among other things that the arbitration provisions were enforceable and encompassed all of
11 Plaintiff’s claims against CTC and Criterion.

12 11. Plaintiff’s claims as alleged against the Six Eleven Defendants are fundamentally
13 dependent on, intertwined with, and premised on Plaintiff’s claims alleged against CTC and
14 Criterion, which claims will be determined in arbitration.

15 12. Plaintiff’s claims against the remaining Defendants are likewise fundamentally
16 dependent on, intertwined with, and premised on Plaintiff’s claims against CTC and Criterion that
17 will be determined in arbitration.

18 13. The threshold questions of whether CTC and/or Criterion engaged in wrongful
19 conduct to misappropriate Spirit’s money or otherwise breached any obligations to Spirit will be
20 answered in the arbitrations. These threshold questions must be determined before the liability of
21 the Defendants, if any, for allegedly participating in or benefitting from any misconduct of CTC
22 or Criterion may be determined. Because the remaining matters to be decided in this case against
23 Defendants are so inextricably intertwined with and dependent upon the result of those
24 arbitrations, justice demands that this case be stayed pending the conclusion of the arbitration
25 proceedings against the CTC and Criterion.

26 14. If any findings of fact are properly conclusions of law, they shall be treated as if
27 appropriately identified and designated.

28

CONCLUSIONS OF LAW

15. The power to stay proceedings is incidental to the power inherent in every court to control the disposition of the cases on its docket with consideration of economy of time and effort for itself, for counsel, and for litigants. *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936). It is within the court’s sole discretion to grant and lift a stay of proceeding, and it can do so for any reason it deems appropriate. *Id.*

16. A district court may stay proceedings “pending resolution of independent proceedings which bear upon the case.” *Leyva v. Certified Grocers of California, Ltd.*, 593 F.2d 857, 863-64 (9th Cir. 1979).

17. Courts have repeatedly found that when claims not subject to an arbitration agreement arise out of the same conduct as claims subject to an arbitration agreement, staying the former claims pending the conclusion of the arbitration is in the best interest of judicial economy. *See Hill v. GE Power Sys., Inc.*, 282 F.3d 343, 347 (5th Cir. 2002); *RB Prod., Inc. v. Ryze Capital, LLC*, No. 3:19-CV-00105-MMD-WGC, 2019 WL 5722205, at *2 (D. Nev. Nov. 4, 2019); *Bischoff v. DirecTV, Inc.*, 180 F.Supp.2d 1097 (C.D. Cal. 2017), *Hansen v. Musk*, 319CV00413LRHWGC, 2020 WL 4004800, at *1 (D. Nev. July 15, 2020); *Sharp Corp. v. Hisense USA Corp.*, 17-CV-03341-YGR, 2017 WL 6017897, at *4 (N.D. Cal. Dec. 5, 2017); *CPB Contractors Pty Ltd. v. Chevron Corp.*, C 16-5344 CW, 2017 WL 7310776, at *5 (N.D. Cal. Jan. 17, 2017); *Amisil Holdings Ltd. v. Clarium Capital Mgmt.*, 622 F. Supp. 2d 825, 842 (N.D. Cal. 2007).

18. The Federal Arbitration Act (the “FAA”) states that a court is to stay a proceeding pending resolution of the issues that have been referred to arbitration. Specifically, Section Three of the FAA states: “If any suit or proceeding be brought in any of the courts of the United States upon any issue referable to arbitration under an agreement in writing for such arbitration, the court in which such suit is pending, upon being satisfied that the issue involved in such suit or proceeding is referable to arbitration under such an agreement, shall on application of one of the parties stay the trial of the action until such arbitration has been had in accordance with the terms of the agreement, providing the applicant for the stay is not in default in proceeding with such

1 arbitration.” 9 U.S.C.A. § 3; *See also Hill*, 282 F.3d at 347 (relying on Section 3 of the FAA to
2 stay case against non-signatories to arbitration agreement pending arbitration between
3 signatories).

4 19. Nevada’s Uniform Arbitration Act (the “NUAA”), codified in NRS Chapter 38,
5 also explicitly allows this Court to stay any judicial proceeding pending resolution of claims
6 subject to arbitration. NRS 38.221(6)-(7) states: “If a party makes a motion to the court to order
7 arbitration, the court on just terms shall stay any judicial proceeding that involves a claim alleged
8 to be subject to the arbitration until the court renders a final decision under this section. If the
9 court orders arbitration, the court on just terms shall stay any judicial proceeding that involves a
10 claim subject to the arbitration. If a claim subject to the arbitration is severable, the court may
11 limit the stay to that claim.”

12 20. In determining whether a stay is appropriate, a court “must weigh competing
13 interests and maintain an even balance.” *Landis*, 299 U.S. at 254-55. These competing interests
14 include: (1) possible damage resulting from granting a stay; (2) hardship or inequity to a party if
15 the proceedings go forward; and (3) simplification or complication of issues, proof and questions
16 of law from a stay. *CMAX, Inc. v. Hall*, 300 F.2d 265, 268 (9th Cir. 1962).

17 21. “It would waste judicial resources and be burdensome upon the parties if the
18 district court in a case such as this were mandated to permit discovery, and upon completion of
19 pretrial proceedings, to take evidence and determine the merits of the case at the same time as the
20 arbitrator is going through a substantially parallel process.” *Leyva*, 593 F.2d at 863-64.

21 22. Plaintiff’s claims against the Defendants are inextricably intertwined with and
22 dependent upon the claims asserted against CTC and Criterion, and those claims will be decided
23 in separate arbitration proceedings.

24 23. Plaintiff has not shown how a stay of proceedings against the Defendants would
25 prejudice or harm Plaintiff. In fact, Plaintiff would ostensibly benefit from such a stay. Plaintiff’s
26 claims against CTC and Criterion overlap with its claims against the Defendants because both
27 sets of claims rest on the same alleged conduct and involve the same issues and facts.

28

25. Absent a stay, Plaintiff and the Defendants will expend unnecessary resources, including a substantial amount of attorney's fees and costs, on duplicative litigation that will involve nearly identical evidence to prove overlapping and intertwined claims. The Defendants will suffer great hardship – they would not only have to actively litigate this case, but they would potentially be subjected to duplicative third party discovery in arbitrations in Washington, D.C. involving CTC and in Nebraska involving Criterion.

9 26. A stay would further increase judicial economy and simplify the issues.

27. If the instant proceeding is not stayed pending the resolution of the arbitrations, there is a risk of inconsistent results under the same set of identical facts.

12 28. A stay is in the best interests of this Court, the parties to the litigation, and judicial
13 economy.

29. If any conclusions of law are properly findings of fact, they shall be treated as if appropriately identified and designated.

ORDER

Based on the foregoing, and based on the other reasons raised in briefing in support of the Six-Eleven Defendants' Motion to Stay and the Defendants' Joinders thereto,

19 **IT IS HEREBY ORDERED** that Defendants’ Motion to Stay and the Defendants’
20 Joinders thereto are hereby **GRANTED** and this entire case is stayed pending conclusion of the
21 arbitrations.

22 DATED this 17 day of November 2020.

DISTRICT COURT JUDGE

Respectfully Submitted by:

HOWARD & HOWARD ATTORNEYS PLLC

/s/ L. Christopher Rose

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William A. Gonzales, Esq.
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Risk Managers, Inc.; Ironjab, LLC; Fourgorean Capital LLC;
Chelsea Holding Company, LLC; and Chelsea Financial Group, Inc. (Missouri)*

Approved as to form and content:

Dated this _____ day of October 2020.

GREENBERG TRAUIG, LLP

DISAPPROVED

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Kara B. Hendricks, Esq.
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Attorneys for Plaintiff

Dated this 30th day of October 2020.

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*Attorneys for Lexicon Insurance
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Dated this 30th day of October 2020.

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Attorneys for Defendant Thomas Mulligan

Dated this 30th day of October 2020.

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*Attorneys for Defendants James Marx John
Maloney, Virginia Torres, and Carlos Torres*

1 Dated this 30th day of October 2020.

2 **TYSON & MENDES LLP**

3 /s/ Thomas E. McGrath
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8 *Chelsea Financial Group, Inc. a New Jersey*
9 *corporation; Chelsea Financial Group, Inc.*
10 *a California corporation; Global*
11 *Forwarding Enterprises, LLC; Kapa*
12 *Management Consulting, Inc.; Kapa*
13 *Ventures, Inc.; and Igor and Yanina*
14 *Kapelnikov*

15 Dated this 30th day of October 2020.

16 **ALVERSON TAYLOR & SANDERS**

17 /s/ Trevor R. Waite
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19 Trevor R. Waite, Esq.
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21 Las Vegas, Nevada 89149

22 *Attorneys for Defendant*
23 *Brenda Guffey*

Dated this 30th day of October 2020.

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Attorneys for Defendants Matthew Simon
Jr. and Scott McCrae

Kirill V. Mikhaylov

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To: Kirill V. Mikhaylov; Robert Larsen; 'Trevor Waite'; Tammy Peterson; William Urga; David J. Malley; mre@juwlaw.com; Russell Christian; Nikki Baker; David Astur; Wing Yan Wong; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; Kurt Bonds
Cc: L. Christopher Rose; Julia M. Diaz
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

Kirill. You may affix my e-signature to the proposed order. Thanks, Tom



Thomas E. McGrath, Esq.

Partner

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Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

Good Afternoon Counsel,

Please let us know if you consent to affixing your electronic signature to the proposed Order Granting Motion to Stay Pending Arbitration.

Thank you.

Kirill V. Mikhaylov

From: Trevor Waite <TWaite@AlversonTaylor.com>
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Cc: L. Christopher Rose; Julia M. Diaz
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Hi Kirill, you may affix my signature. Thanks.

Ciao,

Trevor Waite



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Good Afternoon Counsel,

Please let us know if you consent to affixing your electronic signature to the proposed Order Granting Motion to Stay Pending Arbitration.

Thank you.

Howard & Howard
law for business®

Kirill V. Mikhaylov
Attorney

Kirill V. Mikhaylov

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Cc: L. Christopher Rose; Julia M. Diaz
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

You have my authorization.

ROBERT S. LARSEN | Co-Managing Partner

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Attorney

Kirill V. Mikhaylov

From: Wise, Rachel L. <Rachel.Wise@wilsonelser.com>
Sent: Wednesday, October 28, 2020 5:20 PM
To: Kirill V. Mikhaylov
Cc: L. Christopher Rose; Julia M. Diaz; Thome, Sheri
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration
Attachments: LVDOCS01-#1641620-v1-DEF-Marx-joinder-to-MOT-to-stay-pending-ARBN.PDF

Hi Kirill,

Sorry for the late reply, I was in a meeting. You are authorized to use my signature.

From: Kirill V. Mikhaylov [mailto:kvm@h2law.com]
Sent: Wednesday, October 28, 2020 3:23 PM
To: Robert Larsen <rlarsen@grsm.com>; 'Trevor Waite' <TWaite@AlversonTaylor.com>; Tammy Peterson <tpeterson@petersonbaker.com>; William Urga <WRU@juwlaw.com>; David J. Malley <DJM@juwlaw.com>; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker <nbaker@petersonbaker.com>; David Astur <dastur@petersonbaker.com>; Wing Yan Wong <wwong@grsm.com>; Thome, Sheri <Sheri.Thome@wilsonelser.com>; Wise, Rachel L. <Rachel.Wise@wilsonelser.com>; Kurt Bonds <KBonds@AlversonTaylor.com>
Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

[EXTERNAL EMAIL]

Good Afternoon Counsel,

Please let us know if you consent to affixing your electronic signature to the proposed Order Granting Motion to Stay Pending Arbitration.

Thank you.



Kirill V. Mikhaylov
Attorney

3800 Howard Hughes Pkwy., Ste. 1000, Las Vegas, NV 89169
D: 702.667.4831 | **F:** 702.567.1568
kvm@h2law.com | Bio | vCard

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From: Robert Larsen <rlarsen@grsm.com>
Sent: Monday, October 19, 2020 8:36 AM

Kirill V. Mikhaylov

From: Tammy Peterson <tpeterson@petersonbaker.com>
Sent: Wednesday, October 28, 2020 3:42 PM
To: Kirill V. Mikhaylov; Robert Larsen; 'Trevor Waite'; William Urga; David J. Malley; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker; David Astur; Wing Yan Wong; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; Kurt Bonds
Cc: L. Christopher Rose; Julia M. Diaz
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

Kirill

Thanks, you can affix my electronic signature.

Tamara Beatty Peterson, Esq.

Peterson Baker, PLLC
702.786.1001

From: Kirill V. Mikhaylov <kvm@h2law.com>
Sent: Wednesday, October 28, 2020 3:23 PM
To: Robert Larsen <rlarsen@grsm.com>; 'Trevor Waite' <TWaite@AlversonTaylor.com>; Tammy Peterson <tpeterson@petersonbaker.com>; William Urga <WRU@juwlaw.com>; David J. Malley <DJM@juwlaw.com>; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker <nbaker@petersonbaker.com>; David Astur <dastur@petersonbaker.com>; Wing Yan Wong <wwong@grsm.com>; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; Kurt Bonds <KBonds@AlversonTaylor.com>
Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

Good Afternoon Counsel,

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Thank you.

Howard & Howard | Kirill V. Mikhaylov
law for business® Attorney

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D: 702.667.4831 | F: 702.567.1568
kvm@h2law.com | Bio | vCard

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From: Robert Larsen <rlarsen@grsm.com>
Sent: Monday, October 19, 2020 8:36 AM

Kirill V. Mikhaylov

From: William Urga <WRU@juwlaw.com>
Sent: Wednesday, October 28, 2020 3:36 PM
To: Kirill V. Mikhaylov; Robert Larsen; 'Trevor Waite'; Tammy Peterson; David J. Malley; Mike R. Ernst; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker; David Astur; Wing Yan Wong; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; Kurt Bonds
Cc: L. Christopher Rose; Julia M. Diaz
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

You have my authorization.

William R. Urga, Esq.
Jolley Urga Woodbury & Holthus
Tivoli Village
330 S. Rampart Boulevard, Suite 380
Las Vegas, Nevada 89145
Telephone: (702) 699-7500
Facsimile: (702) 699-7555
E-mail: wru@juwlaw.com

Please consider the environment before printing this email.



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From: Kirill V. Mikhaylov <kvm@h2law.com>
Sent: Wednesday, October 28, 2020 3:23 PM
To: Robert Larsen <rlarsen@grsm.com>; 'Trevor Waite' <TWaite@AlversonTaylor.com>; Tammy Peterson <tpeterson@petersonbaker.com>; William Urga <WRU@juwlaw.com>; David J. Malley <DJM@juwlaw.com>; Mike R. Ernst <mre@juwlaw.com>; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker <nbaker@petersonbaker.com>; David Astur <dastur@petersonbaker.com>; Wing Yan Wong <wwong@grsm.com>; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; Kurt Bonds <KBonds@AlversonTaylor.com>
Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

Good Afternoon Counsel,

Please let us know if you consent to affixing your electronic signature to the proposed Order Granting Motion to Stay Pending Arbitration.

Thank you.



Kirill V. Mikhaylov
Attorney

3800 Howard Hughes Pkwy., Ste. 1000, Las Vegas, NV 89169

D: 702.667.4831 | F: 702.567.1568

kvm@h2law.com | Bio | vCard

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From: Robert Larsen <rlarsen@grsm.com>

Sent: Monday, October 19, 2020 8:36 AM

To: 'Trevor Waite' <TWaite@AlversonTaylor.com>; Kirill V. Mikhaylov <kvm@h2law.com>; Tammy Peterson <tpeterson@petersonbaker.com>; William Urga <WRU@juwlaw.com>; David J. Malley <DJM@juwlaw.com>; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker <nbaker@petersonbaker.com>; David Astur <dastur@petersonbaker.com>; Wing Yan Wong <wwong@grsm.com>; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; Kurt Bonds <KBonds@AlversonTaylor.com>

Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>

Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

We are fine with the changes too.

Rob

ROBERT S. LARSEN | Co-Managing Partner

GORDON REES SCULLY MANSUKHANI
YOUR 50 STATE PARTNER®

300 South Fourth Street, Suite 1550

Las Vegas, NV 89101

D: 702-577-9301 | C: 702-985-5630 | rlarsen@grsm.com

www.grsm.com

From: Trevor Waite <TWaite@AlversonTaylor.com>

Sent: Monday, October 19, 2020 8:18 AM

To: Kirill V. Mikhaylov <kvm@h2law.com>; Tammy Peterson <tpeterson@petersonbaker.com>; William Urga <WRU@juwlaw.com>; David J. Malley <DJM@juwlaw.com>; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker <nbaker@petersonbaker.com>; David Astur <dastur@petersonbaker.com>; Robert Larsen <rlarsen@grsm.com>; Wing Yan Wong <wwong@grsm.com>; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; Kurt Bonds <KBonds@AlversonTaylor.com>

Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>

Kirill V. Mikhaylov

From: Kirill V. Mikhaylov
Sent: Wednesday, October 28, 2020 3:07 PM
To: hendricksk@gtlaw.com; ferrariom@gtlaw.com; ewing@gtlaw.com
Cc: L. Christopher Rose; Julia M. Diaz; WRU@juwlaw.com; DJM@juwlaw.com; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; nbaker@petersonbaker.com; dastur@petersonbaker.com; wwong@grsm.com; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; kbonds@alversontaylor.com; rlarsen@grsm.com; twaite@alversontaylor.com; tpeterson@petersonbaker.com
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

Good Afternoon Kara,

We respectfully disagree and believe that our proposed Order reflects the Court's ruling and its directive to submit an order consistent with the briefing and argument supportive of its decision that the claims against the Defendants are intertwined with those against the parties subject to arbitration. In order to expedite the resolution of this matter, we will submit our Order to the Court tomorrow indicating that you did not approve unless we hear otherwise.

Thank you.



Kirill V. Mikhaylov
Attorney

3800 Howard Hughes Pkwy., Ste. 1000, Las Vegas, NV 89169
D: 702.667.4831 | **F:** 702.567.1568
kvm@h2law.com | Bio | vCard

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From: hendricksk@gtlaw.com <hendricksk@gtlaw.com>
Sent: Tuesday, October 27, 2020 5:26 PM
To: Kirill V. Mikhaylov <kvm@h2law.com>; ferrariom@gtlaw.com; ewing@gtlaw.com
Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>; WRU@juwlaw.com; DJM@juwlaw.com; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; nbaker@petersonbaker.com; dastur@petersonbaker.com; wwong@grsm.com; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; kbonds@alversontaylor.com; rlarsen@grsm.com; twaite@alversontaylor.com; tpeterson@petersonbaker.com
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

CAUTION: EXTERNAL EMAIL

Kirill,

We can not agree to the proposed draft order. Not only do the “findings of fact” and “conclusions of law” go way beyond anything in minute order, but the fact that no reference is made to the harm that is being caused to Spirit’s insureds is problematic. Moreover, the purported benefits to plaintiff in the draft order are not accurate nor are the representations in the order regarding to the similarities between the arbitrations and remaining claims/parties. Please let us know if you will consider alternate language and/or proposed revisions and we can provide the same in short order.

Best,
Kara

Kara Hendricks
Shareholder

T 702.938.6856

From: Kirill V. Mikhaylov <kvm@h2law.com>

Sent: Tuesday, October 20, 2020 1:57 PM

To: Ferrario, Mark E. (Shld-LV-LT) <ferrariom@gtlaw.com>; Hendricks, Kara (Shld-LV-LT) <hendricksk@gtlaw.com>;

Ewing, Kyle (Assoc-LV-LT) <ewingk@gtlaw.com>

Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>; William Urga <WRU@juwlaw.com>; David J. Malley <DJM@juwlaw.com>; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker <nbaker@petersonbaker.com>; David Astur <dastur@petersonbaker.com>; wwong@grsm.com; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; kbonds@alversontaylor.com; rlarsen@grsm.com; twait@alversontaylor.com; Tammy Peterson <tpeterson@petersonbaker.com>

Subject: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

EXTERNAL TO GT

Good Afternoon Mark/Kara,

Attached please find our proposed Order Granting Motion to Stay Pending Arbitration. Please let us know if you approve the content of our Order at your earliest convenience.

Thank you.



Kirill V. Mikhaylov
Attorney

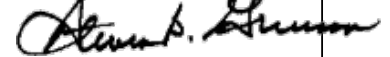
3800 Howard Hughes Pkwy., Ste. 1000, Las Vegas, NV 89169

D: 702.667.4831 | **F:** 702.567.1568

kvm@h2law.com | [Bio](#) | [vCard](#)

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HOWARD & HOWARD ATTORNEYS PLLC

L. CHRISTOPHER ROSE, ESQ.

Nevada Bar No. 7500

KIRILL V. MIKHAYLOV, ESQ.

Nevada Bar No. 13538

WILLIAM A. GONZALES, ESQ.

Nevada Bar No. 15230

3800 Howard Hughes Parkway, Suite 1000

Las Vegas, Nevada 89169

Telephone: 702.257.1483

Fax: 702.567.1568

lcr@h2law.com

kvm@h2law.com

wag@h2law.com

*Attorneys for Defendants Six Eleven LLC; Quote My Rig, LLC;
New Tech Capital LLC; 195 Gluten Free LLC; 10-4 Preferred
Risk Managers, Inc.; Ironjab, LLC; Fourgorean Capital LLC;
Chelsea Holding Company, LLC; and Chelsea Financial Group, Inc. (Missouri)*

DISTRICT COURT

CLARK COUNTY, NEVADA

BARBARA D. RICHARDSON IN HER
CAPACITY AS THE STATUTORY RECEIVER
FOR SPIRIT COMMERCIAL AUTO
RETENTION GROUP, INC.,

Plaintiff,

vs.

THOMAS MULLIGAN, an individual; CTC
TRANSPORTATION INSURANCE SERVICES
OF MISSOURI, LLC, a Missouri Limited Liability
Company; CTC TRANSPORTATION
INSURANCE SERVICES, LLC, a California
Limited Liability Company; CTC
TRANSPORTATION INSURANCES SERVICES
OF HAWAII, LLC, a Hawaii Limited Liability
Company; CRITERION CLAIMS SOLUTIONS
OF OMAHA, INC., a Nebraska Corporation;
PAVEL KAPELNIKOV, an individual; CHELSEA
FINANCIAL GROUP, INC., a California
Corporation; CHELSEA FINANCIAL GROUP,

CASE NO.: A-20-809963-B
DEPT NO.: 13

**NOTICE OF ENTRY OF
ORDER GRANTING MOTION
TO STAY PENDING
ARBITRATION AND
JOINDERS THERETO**

Howard & Howard
3800 Howard Hughes Pkwy., Suite 1000
Las Vegas, NV 89169
(702) 257-1483

INC., a Missouri Corporation; CHELSEA
FINANCIAL GROUP, INC., a New Jersey
Corporation d/b/a CHELSEA PREMIUM
FINANCE CORPORATION; CHELSEA
FINANCIAL GROUP, INC., a Delaware
Corporation; CHELSEA HOLDING COMPANY,
LLC, a Nevada Limited Liability Company;
CHELSEA HOLDINGS, LLC, a Nevada Limited
Liability Company, FOURGOLEAN CAPITAL,
LLC, a New Jersey Limited Liability Company;
KAPA MANAGEMENT CONSULTING, INC., a
New Jersey Corporation, KAPA VENTURES,
INC., a New Jersey Corporation; GLOBAL
FORWARDING ENTERPRISES
LIMITED LIABILITY COMPANY, a New Jersey
Limited Liability Company; GLOBAL CAPITAL
GROUP, LLC, a New Jersey Limited Liability
Company; GLOBAL CONSULTING; NEW
TECH CAPITAL, LLC, a Delaware Limited
Liability Company; LEXICON INSURANCE
MANAGEMENT LLC, a North Carolina Limited
Liability Company; ICAP MANAGEMENT
SOLUTIONS, LLC, a Vermont Limited Liability
Company; SIX ELEVEN LLC, a Missouri Limited
Liability Company; 10-4 PREFERRED RISK
MANAGERS INC., a Missouri Corporation;
IRONJAB LLC, a New Jersey Limited Liability
Company; YANINA G. KAPELNIKOV, an
individual; IGOR KAPELNIKOV, an individual;
QUOTE MY RIG LLC, a New Jersey Limited
Liability Company; MATTHEW SIMON, an
individual; DANIEL GEORGE, an individual;
JOHN MALONEY, an individual; JAMES MARX,
an individual; CARLOS TORRES, an individual;
VIRGINIA TORRES, an individual; SCOTT
McCRAE, an individual; BRENDA GUFFEY, an
individual; 195 GLUTEN FREE LLC, a New
Jersey Limited Liability Company, DOE
INDIVIDUALS I- X; and ROE CORPORATE
ENTITIES I-X,

Defendants.

Howard & Howard
3800 Howard Hughes Pkwy., Suite 1000
Las Vegas, NV 89169
(702) 257-1483

1 PLEASE TAKE NOTICE that an Order Granting Motion to Stay Pending Arbitration and
2 Joinders Thereto was entered into on November 17, 2020, a copy of which is attached hereto.

3 DATED this 17th day of November, 2020.

4 **HOWARD & HOWARD ATTORNEYS PLLC**

5
6 /s/ L. Christopher Rose

7 L. CHRISTOPHER ROSE, ESQ.

8 KIRILL V. MIKHAYLOV, ESQ.

9 WILLIAM A. GONZALES, ESQ.

3800 Howard Hughes Parkway, Suite 1000

Las Vegas, Nevada 89169

10 *Attorneys for Defendants Six Eleven LLC; Quote My Rig,*
11 *LLC; New Tech Capital LLC; 195 Gluten Free LLC; 10-4*
12 *Preferred Risk Managers, Inc.; Ironjab, LLC; Fourgorean*
13 *Capital LLC; Chelsea Holding Company, LLC; and*
14 *Chelsea Financial Group, Inc. (Missouri)*

CERTIFICATE OF SERVICE

I hereby certify that I am employed in the County of Clark, State of Nevada, am over the age of 18 years and not a party to this action. My business address is Howard & Howard Attorneys PLLC, 3800 Howard Hughes Parkway, Suite 1000, Las Vegas, Nevada 89169.

On this day, I served the **NOTICE OF ENTRY OF ORDER GRANTING MOTION TO STAY PENDING ARBITRATION AND JOINDERS THERETO** in this action or proceeding electronically with the Clerk of the Court via the Odyssey E-File and Serve system, which will cause this document to be served upon the following counsel of record:

Mark E. Ferrario, Bar No. 1625 Kara B. Hendricks, Bar No. 7743 Kyle A. Ewing, Bar No. 14051 GREENBERG TRAUIG, LLP 10845 Griffith Peak Drive, Suite 600 Las Vegas, NV 89135 Telephone: (702) 792-3773 Facsimile: (702) 792-9002 ferrariom@gtlaw.com hendricksk@gtlaw.com ewingk@gtlaw.com <i>Attorneys for Plaintiff</i>	Matthew T. Dushoff, Bar No. 4975 Jordan D. Wolff, Bar No. 114968 SALTZMAN MUGAN DUSHOFF 1835 Village Center Circle Las Vegas, NV 89134 <i>Attorneys for Defendants CTC Transportation Insurance Services of Missouri, LLC; CTC Transportation Insurance Services LLC; and CTC Transportation Insurance Services of Hawaii, LLC</i>
Kurt R. Bonds, Bar No. 6228 Trevor R. Waite, Bar No. 13779 ALVERSON, TAYLOR & SANDERS 6605 Grand Montecito Pkwy, Suite 200 Las Vegas, NV 89149 Telephone: (702) 384-7000 efile@alversontaylor.com <i>Attorneys for Defendant Brenda Guffey</i>	Sheri M. Thome, Bar No. 008657 Rachel L. Wise, Bar No. 12303 WILSON, ELSER, MOSKOWITZ, EDELMAN & DICKER LLP 6689 Las Vegas Blvd., Suite 200 Las Vegas, NV 89119 Telephone: (702) 727-1400 Facsimile: (702) 727-1401 Sheri.Thome@wilsonelser.com <i>Attorneys for Defendants James Marx, John Maloney, Virginia Torres, and Carlos Torres</i>

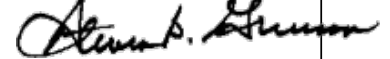
1 Thomas E. McGrath, Bar No. 7086
2 Russell D. Christian, Bar No. 11785
3 **TYSON & MENDES LLP**
4 3960 Howard Hughes Parkway, Suite 600
5 Las Vegas, Nevada 89169
6 Telephone: (702) 724-2648
7 Facsimile: (702) 938-1048
8 tmcgrath@tysonmendes.com
9 rchristian@tysonmendes.com
10 *Attorneys for Defendants Pavel Kapelnikov,*
11 *Chelsea Financial Group, Inc. a New Jersey*
corporation; Chelsea Financial Group, Inc.
a California corporation; Global
Forwarding Enterprises, LLC; Kapa
Management Consulting, Inc.; Kapa
Ventures, Inc.; and Igor and Yanina
Kapelnikov

Robert S. Larsen, Bar No. 7785
Wing Yan Wong, Bar No. 13622
GORDON REES SCULLY
MANSUKHANI, LLP
300 South Fourth Street, Suite 1550
Las Vegas, Nevada 89101
Telephone: (702) 577-9300
Direct: (702) 577-9301
Facsimile: (702) 255-2858
rlarsen@grsm.com
wwong@grsm.com
Attorneys for Defendants Lexicon Insurance
Management LLC, Daniel George and ICAP
Management Solutions, LLC

12 I certify under penalty of perjury that the foregoing is true and correct, and that I executed
13 this Certificate of Service on November 17, 2020 at Las Vegas, Nevada.

14
15 /s/ Julia M. Diaz
16 An employee of HOWARD & HOWARD ATTORNEYS PLLC

17 4845-9857-7618, v. 1
18
19
20
21
22
23
24
25
26
27
28



1 L. CHRISTOPHER ROSE, ESQ.
Nevada Bar No. 7500
2 KIRILL V. MIKHAYLOV, ESQ.
Nevada Bar No. 13538
3 WILLIAM A. GONZALES, ESQ.
Nevada Bar No. 15230
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8 lcr@h2law.com
9 kvm@h2law.com
wag@h2law.com

10 *Attorneys for Defendants Six Eleven LLC; Quote My Rig, LLC;*
11 *New Tech Capital LLC; 195 Gluten Free LLC; 10-4 Preferred*
12 *Risk Managers, Inc.; Ironjab, LLC; Fourgorean Capital LLC;*
Chelsea Holding Company, LLC; and Chelsea Financial Group, Inc. (Missouri)

13 **DISTRICT COURT**

14 **CLARK COUNTY, NEVADA**

15 BARBARA D. RICHARDSON IN HER
16 CAPACITY AS THE STATUTORY RECEIVER
17 FOR SPIRIT COMMERCIAL AUTO
18 RETENTION GROUP, INC.,

19 Plaintiff,

20 vs.

21 THOMAS MULLIGAN, an individual; et al.,

22 Defendants.
23

CASE NO.: A-20-809963-B
DEPT NO.: 13

**ORDER GRANTING MOTION
TO STAY PENDING
ARBITRATION AND
JOINDERS THERETO**

Hearing Date: September 28, 2020
Hearing Time: 9:00 a.m.

24
25 Defendants Six Eleven, LLC, Quote My Rig, LLC, New Tech Capital, LLC, 195 Gluten
26 Free, LLC, 10-4 Preferred Risk Managers, Inc., Ironjab, LLC, Fourgorean Capital, LLC, Chelsea
27 Holding Company, LLC, and Chelsea Financial Group, Inc. (Missouri) (herein collectively
28 referred to as "Six-Eleven Defendants") filed their Motion to Stay Pending Arbitration (the
"Motion to Stay") on August 28, 2020.

Defendants Brenda Guffey, James Marx, John Maloney, Virginia Torres, Carlos Torres, Lexicon Insurance Management, LLC, Daniel George, ICAP Management Solutions, LLC, Matthew Simon, Jr., Scott McCrae, Pavel Kapelnikov, Chelsea Financial Group, Inc. (New Jersey), Chelsea Financial Group, Inc. (California), Global Forwarding Enterprises, LLC, Kapa Management Consulting, Inc., Kapa Ventures, Inc., Igor Kapelnikov, Yanina Kapelnikov, and Thomas Mulligan (collectively “Defendants”)¹ filed substantive Joinders to the Six-Eleven Defendants’ Motion to Stay on September 2 and 3, 2020 (“Joinders”).

Plaintiff Barbara D. Richardson, in her capacity as the Statutory Receiver for Spirit Commercial Auto Risk Retention Group, Inc. (“Plaintiff”) filed her Opposition to the Motion to Stay and Joinders Thereto on September 11, 2020 (“Opposition”).

Defendants Thomas Mulligan, James Marx, John Maloney, Virginia Torres, Carlos Torres, Lexicon Insurance Management, LLC, Daniel George, ICAP Management Solutions, LLC, Brenda Guffey, and the Six Eleven Defendants filed Replies in Support of Motion to Stay on September 16, 2020 (“Replies”).

On September 28, 2020, 9:00 a.m., the Six-Eleven Defendants’ Motion to Stay and Defendants’ Joinders thereto came on for hearing before the Honorable Mark R. Denton. L. Christopher Rose, Esq. of Howard & Howard Attorneys, PLLC appeared on behalf of the Six-Eleven Defendants; Mark E. Ferrario, Esq. and Kara B. Hendricks, Esq. of Greenberg Traurig, LLP appeared on behalf of Plaintiff; William R. Urga, Esq. of Jolley, Urga, Woodbury & Holthus appeared on behalf of Defendant Thomas Mulligan; Thomas E. McGrath, Esq. of Tyson & Mendes, LLP appeared on behalf of Defendants Pavel Kapelnikov, Chelsea Financial Group, Inc. (New Jersey), Chelsea Financial Group, Inc. (California), Global Forwarding Enterprises, LLC, Kapa Management Consulting, Inc., Kapa Ventures, Inc., Igor Kapelnikov and Yanina Kapelnikov; Tamara Beatty Peterson, Esq. of Peterson Baker, LLC appeared on behalf of Defendants Matthew Simon Jr. and Scott McCrae; Robert S. Larsen, Esq. of Gordon, Rees, Scully, Mansukhani, LLP appeared on behalf of Defendants Lexicon Insurance Management,

¹ The term Defendants refers to and includes the Six-Eleven Defendants in the Findings of Fact and Conclusions of Law.

1 LLC, Daniel George and ICAP Management Solutions, LLC; Trevor R. Waite, Esq. of Alverson,
2 Taylor & Sanders appeared on behalf of Defendant Brenda Guffey; and Rachel L. Wise, Esq. of
3 Wilson, Elser, Moskowitz, Edelman & Dicker, LLP appeared on behalf of Defendants James
4 Marx, John Maloney, Virginia Torres and Carlos Torres.

5 Following the parties' extensive oral arguments, the Court took the Motion to Stay and
6 Joinders thereto under advisement. Having further reviewed and considered the parties' filings
7 and the argument of counsel pertaining to the Motion to Stay filed by the Six-Eleven Defendants
8 on August 28, 2020 and the Defendants' Joinders thereto, and being now fully advised in the
9 premises, and without, at this time, intending to intimate any opinion regarding the ultimate effect
10 of the arbitration determinations, but being persuaded by the Motion to Stay and the Joinders that
11 Plaintiff's claims against all of the Defendants are so intertwined with those against the parties
12 subject to arbitration that a stay is warranted for the reasons advanced by Defendants, hereby
13 finds and concludes as follows:

14 **FINDINGS OF FACT**

15 1. Spirit Commercial Auto Risk Retention Group, Inc. ("Spirit") is an insurance
16 company formed to transact commercial auto liability insurance, which specialized in insuring
17 commercial truck owners.

18 2. On January 11, 2019, the Nevada Insurance Commissioner (the "Commissioner")
19 filed a Petition for Appointment of Commissioner as Receiver in the Eighth Judicial District Court
20 of Nevada, case no.: A-19-787325-B (the "Petition"). On February 27, 2019, the Honorable
21 Nancy J. Allf granted the Petition and appointed the Commissioner as Spirit's Permanent
22 Receiver.

23 3. On February 6, 2020, the Commissioner in her capacity as the Permanent Receiver
24 for Spirit initiated the present action by filing a 79-page Complaint asserting 19 causes of action
25 against CTC Transportation Insurance Services of Missouri, LLC, CTC Transportation Insurance
26 Services, LLC, and CTC Transportation Insurance Services of Hawaii, LLC (collectively "CTC")
27 and Criterion Claim Solutions of Omaha, Inc. ("Criterion") and the Defendants.
28

1 4. Plaintiff alleges the following causes of action in her Complaint: (1) Breach of
2 Contract against CTC; (2) Breach of Contract against Lexicon; (3) Breach of Contract against
3 Criterion; (4) Breach of Contract against the Spirit Director Defendants; (5) Breach of Fiduciary
4 Duty against CTC and Lexicon; (6) Breach of Fiduciary Duty against the Spirit Director
5 Defendants; (7) Breach of Implied Covenant of Good Faith and Fair Dealing – Tortious against
6 CTC and Lexicon; (8) Breach of Implied Covenant of Good Faith and Fair Dealing – Contract
7 against CTC and Lexicon; (9) Breach of Implied Covenant of Good Faith and Fair Dealing –
8 Contract against Criterion; (10) Nevada RICO Claims against Mulligan, George, Simon, Guffey,
9 McCrae, Kapelnikovs, CTC, Lexicon, and Criterion; (11) Unjust Enrichment against all
10 Defendants; (12) Frauds against all Defendants²; (13) Civil Conspiracy against all Defendants;
11 (14) Alter Ego against Mulligan, George, Guffey, Simon³, and Pavel Kapelnikov; (15) NRS 112
12 – Avoidance of Transfers against CTC and its Transferees; (16) NRS 696B – Voidable Transfers
13 against CTC and its Transferees; (17) NRS 696B – Recovery of Distributions and Payments
14 against CTC and its Transferees; (18) NRS 692C.402 – Recovery of Distributions and Payments
15 against CTC and its Transferees; and (19) NRS 78.300 – Recovery of Unlawful Distribution
16 against the Spirit Director Defendants. (Complaint, Feb. 6, 2020, on file.)

17 5. In her Complaint, Plaintiff alleges that CTC served as the Program Administrator
18 for Spirit and was responsible for a multitude of responsibilities concerning Spirit’s insurance
19 business, including collecting premiums from insureds and holding the collected money in a trust
20 account for the benefit of Spirit.

21 6. Moreover, Plaintiff alleges that Criterion was a Third-Party Administrator that
22 provided claims administration services to Spirit and was responsible for establishing loss
23 reserves, settling claims, and issuing loss payments.

24 7. In her Complaint, Plaintiff asserts that CTC and Criterion mismanaged the funds,
25 assets, and dues owed to Spirit by improperly using said funds to enrich other entities and
26

27 ² The Twelfth Claim for Relief for Fraud as to Defendants Scott McCrae and Matthew Simon, Jr. was
28 dismissed by Order filed August 10, 2020.

³ The Fourteenth Claim for Relief for Alter Ego as to Defendant Matthew Simon, Jr. was dismissed with
prejudice by Order filed August 10, 2020.

1 individuals, who Plaintiff has named as Defendants in this matter. As a result of this alleged
2 conduct, Plaintiff alleges that Spirit became insolvent and placed it into Receivership and
3 liquidation.

4 8. Plaintiff alleges that CTC has misappropriated in excess of \$43 million from Spirit
5 and has characterized CTC as the “hub of a wheel, [which] was at the center of the scheme that
6 caused the insolvency of Spirit...”

7 9. On May 14, 2020, CTC and Criterion filed Motions to Compel Arbitration
8 pursuant to the applicable arbitration provisions in their respective agreements with Spirit.

9 10. The Court granted CTC and Criterion’s Motions to Compel Arbitration, finding
10 among other things that the arbitration provisions were enforceable and encompassed all of
11 Plaintiff’s claims against CTC and Criterion.

12 11. Plaintiff’s claims as alleged against the Six Eleven Defendants are fundamentally
13 dependent on, intertwined with, and premised on Plaintiff’s claims alleged against CTC and
14 Criterion, which claims will be determined in arbitration.

15 12. Plaintiff’s claims against the remaining Defendants are likewise fundamentally
16 dependent on, intertwined with, and premised on Plaintiff’s claims against CTC and Criterion that
17 will be determined in arbitration.

18 13. The threshold questions of whether CTC and/or Criterion engaged in wrongful
19 conduct to misappropriate Spirit’s money or otherwise breached any obligations to Spirit will be
20 answered in the arbitrations. These threshold questions must be determined before the liability of
21 the Defendants, if any, for allegedly participating in or benefitting from any misconduct of CTC
22 or Criterion may be determined. Because the remaining matters to be decided in this case against
23 Defendants are so inextricably intertwined with and dependent upon the result of those
24 arbitrations, justice demands that this case be stayed pending the conclusion of the arbitration
25 proceedings against the CTC and Criterion.

26 14. If any findings of fact are properly conclusions of law, they shall be treated as if
27 appropriately identified and designated.

28

CONCLUSIONS OF LAW

15. The power to stay proceedings is incidental to the power inherent in every court to control the disposition of the cases on its docket with consideration of economy of time and effort for itself, for counsel, and for litigants. *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936). It is within the court’s sole discretion to grant and lift a stay of proceeding, and it can do so for any reason it deems appropriate. *Id.*

16. A district court may stay proceedings “pending resolution of independent proceedings which bear upon the case.” *Leyva v. Certified Grocers of California, Ltd.*, 593 F.2d 857, 863-64 (9th Cir. 1979).

17. Courts have repeatedly found that when claims not subject to an arbitration agreement arise out of the same conduct as claims subject to an arbitration agreement, staying the former claims pending the conclusion of the arbitration is in the best interest of judicial economy. *See Hill v. GE Power Sys., Inc.*, 282 F.3d 343, 347 (5th Cir. 2002); *RB Prod., Inc. v. Ryze Capital, LLC*, No. 3:19-CV-00105-MMD-WGC, 2019 WL 5722205, at *2 (D. Nev. Nov. 4, 2019); *Bischoff v. DirecTV, Inc.*, 180 F.Supp.2d 1097 (C.D. Cal. 2017), *Hansen v. Musk*, 319CV00413LRHWGC, 2020 WL 4004800, at *1 (D. Nev. July 15, 2020); *Sharp Corp. v. Hisense USA Corp.*, 17-CV-03341-YGR, 2017 WL 6017897, at *4 (N.D. Cal. Dec. 5, 2017); *CPB Contractors Pty Ltd. v. Chevron Corp.*, C 16-5344 CW, 2017 WL 7310776, at *5 (N.D. Cal. Jan. 17, 2017); *Amisil Holdings Ltd. v. Clarium Capital Mgmt.*, 622 F. Supp. 2d 825, 842 (N.D. Cal. 2007).

18. The Federal Arbitration Act (the “FAA”) states that a court is to stay a proceeding pending resolution of the issues that have been referred to arbitration. Specifically, Section Three of the FAA states: “If any suit or proceeding be brought in any of the courts of the United States upon any issue referable to arbitration under an agreement in writing for such arbitration, the court in which such suit is pending, upon being satisfied that the issue involved in such suit or proceeding is referable to arbitration under such an agreement, shall on application of one of the parties stay the trial of the action until such arbitration has been had in accordance with the terms of the agreement, providing the applicant for the stay is not in default in proceeding with such

1 arbitration.” 9 U.S.C.A. § 3; *See also Hill*, 282 F.3d at 347 (relying on Section 3 of the FAA to
2 stay case against non-signatories to arbitration agreement pending arbitration between
3 signatories).

4 19. Nevada’s Uniform Arbitration Act (the “NUAA”), codified in NRS Chapter 38,
5 also explicitly allows this Court to stay any judicial proceeding pending resolution of claims
6 subject to arbitration. NRS 38.221(6)-(7) states: “If a party makes a motion to the court to order
7 arbitration, the court on just terms shall stay any judicial proceeding that involves a claim alleged
8 to be subject to the arbitration until the court renders a final decision under this section. If the
9 court orders arbitration, the court on just terms shall stay any judicial proceeding that involves a
10 claim subject to the arbitration. If a claim subject to the arbitration is severable, the court may
11 limit the stay to that claim.”

12 20. In determining whether a stay is appropriate, a court “must weigh competing
13 interests and maintain an even balance.” *Landis*, 299 U.S. at 254-55. These competing interests
14 include: (1) possible damage resulting from granting a stay; (2) hardship or inequity to a party if
15 the proceedings go forward; and (3) simplification or complication of issues, proof and questions
16 of law from a stay. *CMAX, Inc. v. Hall*, 300 F.2d 265, 268 (9th Cir. 1962).

17 21. “It would waste judicial resources and be burdensome upon the parties if the
18 district court in a case such as this were mandated to permit discovery, and upon completion of
19 pretrial proceedings, to take evidence and determine the merits of the case at the same time as the
20 arbitrator is going through a substantially parallel process.” *Leyva*, 593 F.2d at 863-64.

21 22. Plaintiff’s claims against the Defendants are inextricably intertwined with and
22 dependent upon the claims asserted against CTC and Criterion, and those claims will be decided
23 in separate arbitration proceedings.

24 23. Plaintiff has not shown how a stay of proceedings against the Defendants would
25 prejudice or harm Plaintiff. In fact, Plaintiff would ostensibly benefit from such a stay. Plaintiff’s
26 claims against CTC and Criterion overlap with its claims against the Defendants because both
27 sets of claims rest on the same alleged conduct and involve the same issues and facts.

28

25. Absent a stay, Plaintiff and the Defendants will expend unnecessary resources, including a substantial amount of attorney's fees and costs, on duplicative litigation that will involve nearly identical evidence to prove overlapping and intertwined claims. The Defendants will suffer great hardship – they would not only have to actively litigate this case, but they would potentially be subjected to duplicative third party discovery in arbitrations in Washington, D.C. involving CTC and in Nebraska involving Criterion.

9 26. A stay would further increase judicial economy and simplify the issues.

27. If the instant proceeding is not stayed pending the resolution of the arbitrations, there is a risk of inconsistent results under the same set of identical facts.

12 28. A stay is in the best interests of this Court, the parties to the litigation, and judicial
13 economy.

29. If any conclusions of law are properly findings of fact, they shall be treated as if appropriately identified and designated.

ORDER

Based on the foregoing, and based on the other reasons raised in briefing in support of the Six-Eleven Defendants' Motion to Stay and the Defendants' Joinders thereto,

19 **IT IS HEREBY ORDERED** that Defendants’ Motion to Stay and the Defendants’
20 Joinders thereto are hereby **GRANTED** and this entire case is stayed pending conclusion of the
21 arbitrations.

22 DATED this 17 day of November 2020.

er 2020. 
DISTRICT COURT JUDGE

Respectfully Submitted by:

HOWARD & HOWARD ATTORNEYS PLLC

/s/ L. Christopher Rose

L. Christopher Rose, Esq.
Kirill V. Mikhaylov, Esq.
William A. Gonzales, Esq.
3800 Howard Hughes Parkway, Suite 1000
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*Attorneys for Defendants Six Eleven LLC; Quote My Rig, LLC;
New Tech Capital LLC; 195 Gluten Free LLC; 10-4 Preferred
Risk Managers, Inc.; Ironjab, LLC; Fourgorean Capital LLC;
Chelsea Holding Company, LLC; and Chelsea Financial Group, Inc. (Missouri)*

Approved as to form and content:

Dated this _____ day of October 2020.

GREENBERG TRAUIG, LLP

DISAPPROVED

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Kara B. Hendricks, Esq.
Kyle A. Ewing, Esq.
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Attorneys for Plaintiff

Dated this 30th day of October 2020.

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*Attorneys for Lexicon Insurance
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Dated this 30th day of October 2020.

**JOLLEY URGAL WOODBURY &
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/s/ William R. Urga

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Attorneys for Defendant Thomas Mulligan

Dated this 30th day of October 2020.

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EDELMAN & DICKER LLP**

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*Attorneys for Defendants James Marx John
Maloney, Virginia Torres, and Carlos Torres*

1 Dated this 30th day of October 2020.

2 **TYSON & MENDES LLP**

3 /s/ Thomas E. McGrath
4 Thomas E. McGrath, Esq.
5 Russell D. Christian, Esq.
6 3960 Howard Hughes Parkway, Suite 600
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7 *Attorneys for Defendants Pavel Kapelnikov,*
8 *Chelsea Financial Group, Inc. a New Jersey*
9 *corporation; Chelsea Financial Group, Inc.*
10 *a California corporation; Global*
11 *Forwarding Enterprises, LLC; Kapa*
12 *Management Consulting, Inc.; Kapa*
13 *Ventures, Inc.; and Igor and Yanina*
14 *Kapelnikov*

15 Dated this 30th day of October 2020.

16 **ALVERSON TAYLOR & SANDERS**

17 /s/ Trevor R. Waite
18 Kurt R. Bonds, Esq.
19 Trevor R. Waite, Esq.
20 6605 Grand Montecito Pkwy., Suite 200
21 Las Vegas, Nevada 89149

22 *Attorneys for Defendant*
23 *Brenda Guffey*

24
25
26 4848-0315-4895, v. 1
27
28

Dated this 30th day of October 2020.

PETERSON BAKER, PLLC

/s/ Tamara Beatty Peterson
Tamara Beatty Peterson, Esq.
Nikki L. Baker, Esq.
David E. Astur, Esq.
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Attorneys for Defendants Matthew Simon
Jr. and Scott McCrae

Kirill V. Mikhaylov

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Sent: Wednesday, October 28, 2020 3:27 PM
To: Kirill V. Mikhaylov; Robert Larsen; 'Trevor Waite'; Tammy Peterson; William Urga; David J. Malley; mre@juwlaw.com; Russell Christian; Nikki Baker; David Astur; Wing Yan Wong; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; Kurt Bonds
Cc: L. Christopher Rose; Julia M. Diaz
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

Kirill. You may affix my e-signature to the proposed order. Thanks, Tom



Thomas E. McGrath, Esq.

Partner

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Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

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From: Trevor Waite <TWaite@AlversonTaylor.com>
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Hi Kirill, you may affix my signature. Thanks.

Ciao,

Trevor Waite



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Howard & Howard
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Kirill V. Mikhaylov
Attorney

Kirill V. Mikhaylov

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Cc: L. Christopher Rose; Julia M. Diaz
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

You have my authorization.

ROBERT S. LARSEN | Co-Managing Partner

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Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

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From: Wise, Rachel L. <Rachel.Wise@wilsonelser.com>
Sent: Wednesday, October 28, 2020 5:20 PM
To: Kirill V. Mikhaylov
Cc: L. Christopher Rose; Julia M. Diaz; Thome, Sheri
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration
Attachments: LVDOCS01-#1641620-v1-DEF-Marx-joinder-to-MOT-to-stay-pending-ARBN.PDF

Hi Kirill,

Sorry for the late reply, I was in a meeting. You are authorized to use my signature.

From: Kirill V. Mikhaylov [mailto:kvm@h2law.com]
Sent: Wednesday, October 28, 2020 3:23 PM
To: Robert Larsen <rlarsen@grsm.com>; 'Trevor Waite' <TWaite@AlversonTaylor.com>; Tammy Peterson <tpeterson@petersonbaker.com>; William Urga <WRU@juwlaw.com>; David J. Malley <DJM@juwlaw.com>; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker <nbaker@petersonbaker.com>; David Astur <dastur@petersonbaker.com>; Wing Yan Wong <wwong@grsm.com>; Thome, Sheri <Sheri.Thome@wilsonelser.com>; Wise, Rachel L. <Rachel.Wise@wilsonelser.com>; Kurt Bonds <KBonds@AlversonTaylor.com>
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Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

[EXTERNAL EMAIL]

Good Afternoon Counsel,

Please let us know if you consent to affixing your electronic signature to the proposed Order Granting Motion to Stay Pending Arbitration.

Thank you.



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Cc: L. Christopher Rose; Julia M. Diaz
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

Kirill

Thanks, you can affix my electronic signature.

Tamara Beatty Peterson, Esq.

Peterson Baker, PLLC
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From: Robert Larsen <rlarsen@grsm.com>
Sent: Monday, October 19, 2020 8:36 AM

Kirill V. Mikhaylov

From: William Urga <WRU@juwlaw.com>
Sent: Wednesday, October 28, 2020 3:36 PM
To: Kirill V. Mikhaylov; Robert Larsen; 'Trevor Waite'; Tammy Peterson; David J. Malley; Mike R. Ernst; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker; David Astur; Wing Yan Wong; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; Kurt Bonds
Cc: L. Christopher Rose; Julia M. Diaz
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

You have my authorization.

William R. Urga, Esq.
Jolley Urga Woodbury & Holthus
Tivoli Village
330 S. Rampart Boulevard, Suite 380
Las Vegas, Nevada 89145
Telephone: (702) 699-7500
Facsimile: (702) 699-7555
E-mail: wru@juwlaw.com

Please consider the environment before printing this email.



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From: Kirill V. Mikhaylov <kvm@h2law.com>
Sent: Wednesday, October 28, 2020 3:23 PM
To: Robert Larsen <rlarsen@grsm.com>; 'Trevor Waite' <TWaite@AlversonTaylor.com>; Tammy Peterson <tpeterson@petersonbaker.com>; William Urga <WRU@juwlaw.com>; David J. Malley <DJM@juwlaw.com>; Mike R. Ernst <mre@juwlaw.com>; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker <nbaker@petersonbaker.com>; David Astur <dastur@petersonbaker.com>; Wing Yan Wong <wwong@grsm.com>; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; Kurt Bonds <KBonds@AlversonTaylor.com>
Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

Good Afternoon Counsel,

Please let us know if you consent to affixing your electronic signature to the proposed Order Granting Motion to Stay Pending Arbitration.

Thank you.



Kirill V. Mikhaylov
Attorney

3800 Howard Hughes Pkwy., Ste. 1000, Las Vegas, NV 89169

D: 702.667.4831 | F: 702.567.1568

kvm@h2law.com | Bio | vCard

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From: Robert Larsen <rlarsen@grsm.com>

Sent: Monday, October 19, 2020 8:36 AM

To: 'Trevor Waite' <TWaite@AlversonTaylor.com>; Kirill V. Mikhaylov <kvm@h2law.com>; Tammy Peterson <tpeterson@petersonbaker.com>; William Urga <WRU@juwlaw.com>; David J. Malley <DJM@juwlaw.com>; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker <nbaker@petersonbaker.com>; David Astur <dastur@petersonbaker.com>; Wing Yan Wong <wwong@grsm.com>; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; Kurt Bonds <KBonds@AlversonTaylor.com>

Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>

Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

We are fine with the changes too.

Rob

ROBERT S. LARSEN | Co-Managing Partner

GORDON REES SCULLY MANSUKHANI
YOUR 50 STATE PARTNER®

300 South Fourth Street, Suite 1550

Las Vegas, NV 89101

D: 702-577-9301 | C: 702-985-5630 | rlarsen@grsm.com

www.grsm.com

From: Trevor Waite <TWaite@AlversonTaylor.com>

Sent: Monday, October 19, 2020 8:18 AM

To: Kirill V. Mikhaylov <kvm@h2law.com>; Tammy Peterson <tpeterson@petersonbaker.com>; William Urga <WRU@juwlaw.com>; David J. Malley <DJM@juwlaw.com>; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker <nbaker@petersonbaker.com>; David Astur <dastur@petersonbaker.com>; Robert Larsen <rlarsen@grsm.com>; Wing Yan Wong <wwong@grsm.com>; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; Kurt Bonds <KBonds@AlversonTaylor.com>

Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>

Kirill V. Mikhaylov

From: Kirill V. Mikhaylov
Sent: Wednesday, October 28, 2020 3:07 PM
To: hendricksk@gtlaw.com; ferrariom@gtlaw.com; ewing@gtlaw.com
Cc: L. Christopher Rose; Julia M. Diaz; WRU@juwlaw.com; DJM@juwlaw.com; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; nbaker@petersonbaker.com; dastur@petersonbaker.com; wwong@grsm.com; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; kbonds@alversontaylor.com; rlarsen@grsm.com; twaite@alversontaylor.com; tpeterson@petersonbaker.com
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

Good Afternoon Kara,

We respectfully disagree and believe that our proposed Order reflects the Court's ruling and its directive to submit an order consistent with the briefing and argument supportive of its decision that the claims against the Defendants are intertwined with those against the parties subject to arbitration. In order to expedite the resolution of this matter, we will submit our Order to the Court tomorrow indicating that you did not approve unless we hear otherwise.

Thank you.



Kirill V. Mikhaylov
Attorney

3800 Howard Hughes Pkwy., Ste. 1000, Las Vegas, NV 89169
D: 702.667.4831 | **F:** 702.567.1568
kvm@h2law.com | Bio | vCard

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From: hendricksk@gtlaw.com <hendricksk@gtlaw.com>
Sent: Tuesday, October 27, 2020 5:26 PM
To: Kirill V. Mikhaylov <kvm@h2law.com>; ferrariom@gtlaw.com; ewing@gtlaw.com
Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>; WRU@juwlaw.com; DJM@juwlaw.com; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; nbaker@petersonbaker.com; dastur@petersonbaker.com; wwong@grsm.com; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; kbonds@alversontaylor.com; rlarsen@grsm.com; twaite@alversontaylor.com; tpeterson@petersonbaker.com
Subject: RE: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

CAUTION: EXTERNAL EMAIL

Kirill,

We can not agree to the proposed draft order. Not only do the “findings of fact” and “conclusions of law” go way beyond anything in minute order, but the fact that no reference is made to the harm that is being caused to Spirit’s insureds is problematic. Moreover, the purported benefits to plaintiff in the draft order are not accurate nor are the representations in the order regarding to the similarities between the arbitrations and remaining claims/parties. Please let us know if you will consider alternate language and/or proposed revisions and we can provide the same in short order.

Best,
Kara

Kara Hendricks
Shareholder

T 702.938.6856

From: Kirill V. Mikhaylov <kvm@h2law.com>
Sent: Tuesday, October 20, 2020 1:57 PM
To: Ferrario, Mark E. (Shld-LV-LT) <ferrariom@gtlaw.com>; Hendricks, Kara (Shld-LV-LT) <hendricksk@gtlaw.com>; Ewing, Kyle (Assoc-LV-LT) <ewingk@gtlaw.com>
Cc: L. Christopher Rose <lcr@h2law.com>; Julia M. Diaz <jdiaz@howardandhoward.com>; William Urga <WRU@juwlaw.com>; David J. Malley <DJM@juwlaw.com>; mre@juwlaw.com; tmcgrath@tysonmendes.com; rchristian@tysonmendes.com; Nikki Baker <nbaker@petersonbaker.com>; David Astur <dastur@petersonbaker.com>; wwong@grsm.com; sheri.thome@wilsonelser.com; rachel.wise@wilsonelser.com; kbonds@alversontaylor.com; rlarsen@grsm.com; twait@alversontaylor.com; Tammy Peterson <tpeterson@petersonbaker.com>
Subject: Spirit v. Mulligan, et al. - A-20-809963-B - Proposed Order Granting Motion to Stay Pending Arbitration

EXTERNAL TO GT

Good Afternoon Mark/Kara,

Attached please find our proposed Order Granting Motion to Stay Pending Arbitration. Please let us know if you approve the content of our Order at your earliest convenience.

Thank you.



Kirill V. Mikhaylov
Attorney

3800 Howard Hughes Pkwy., Ste. 1000, Las Vegas, NV 89169
D: 702.667.4831 | **F:** 702.567.1568
kvm@h2law.com | [Bio](#) | [vCard](#)

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REGISTER OF ACTIONS**CASE No. A-20-809963-B****Barbara Richardson, Plaintiff(s) vs. Thomas Mulligan, Defendant(s)**§
§
§
§
§
§
§Case Type: **Other Business Court Matters**Date Filed: **02/06/2020**Location: **Department 13**Case Number History: **A-20-809963-C**Cross-Reference Case Number: **A809963**

P. TY INFORMATION

Defendant 10-4 Preferred Risk Managers Inc**Lead Attorneys**
L. Christopher Rose
Retained
702-257-1483(W)**Defendant 195 Gluten Free LLC****L. Christopher Rose**
Retained
702-257-1483(W)**Defendant Chelsea Holding Company, LLC****L. Christopher Rose**
Retained
702-257-1483(W)**Defendant CTC Transportation Insurance Services LLC****Matthew T. Dushoff**
Retained
702-405-8500(W)**Defendant CTC Transportation Insurance Services of Hawaii LLC****Defendant CTC Transportation Insurance Services of Missouri, LLC****Matthew T. Dushoff**
Retained
702-405-8500(W)**Defendant Fourgorean Capital, LLC****L. Christopher Rose**
Retained
702-257-1483(W)**Defendant George, Daniel****Robert S. Larsen**
Retained
702-577-9300(W)**Defendant Global Capital Group, LLC****Defendant Global Consulting****Defendant Global Forwarding Enterprises****Thomas E. McGrath**
Retained
702-724-2648(W)**Defendant Guffey, Brenda****Kurt R. Bonds**
Retained

702-384-7000(W)

Defendant I-X, DOE Individuals**Defendant** ICAP Management Solutions, LLC, a Vermont LLC**Robert S. Larsen**
Retained
702-577-9300(W)**Defendant** Ironjab, LLC**L. Christopher Rose**
Retained
702-257-1483(W)**Defendant** Kapa Management Consulting, Inc**Thomas E. McGrath**
Retained
702-724-2648(W)**Defendant** Kapa Ventures, Inc**Thomas E. McGrath**
Retained
702-724-2648(W)**Defendant** Kapelnikov, Igor**Thomas E. McGrath**
Retained
702-724-2648(W)**Defendant** Kapelnikov, Pavel**Thomas E. McGrath**
Retained
702-724-2648(W)**Defendant** Kapelnikov, Yanina G.**Thomas E. McGrath**
Retained
702-724-2648(W)**Defendant** Lexicon Insurance Management LLC, a North Carolina LLC**Robert S. Larsen**
Retained
702-577-9300(W)**Defendant** Maloney, John**Sheri M. Thome**
Retained
702-727-1400(W)**Defendant** Marx, James**Sheri M. Thome**
Retained
702-727-1400(W)**Defendant** McCrae, Scott**Tamara Beatty Peterson**
Retained
702-786-1001(W)**Defendant** Mulligan, Thomas**William R. Urga**
Retained
7026997500(W)**Defendant** New Tech Capital, LLC**L. Christopher Rose**
Retained
702-257-1483(W)**Defendant** Quote My Rig LLC**L. Christopher Rose**
Retained
702-257-1483(W)**Defendant** Simon, Matthew**Tamara Beatty Peterson**
Retained
702-786-1001(W)**Defendant** Six Eleven, LLC**L. Christopher Rose**

Retained
702-257-1483(W)

Defendant **Torres, Carlos**

Sheri M. Thome
Retained
702-727-1400(W)

Defendant **Torres, Virginia**

Sheri M. Thome
Retained
702-727-1400(W)

Plaintiff **Richardson, Barbara D Spirit Commercial
Auto Risk Retention Group Inc**

Mark E. Ferrario, ESQ
Retained
702-792-3773(W)

EVENTS & ORDERS OF THE COURT

DISPOSITIONS

04/27/2020 **Dismissal Pursuant to NRCP 41** (Judicial Officer: Denton, Mark R.)
Debtors: Chelsea Financial Group, Inc (Defendant)
Creditors: Barbara D Richardson (Plaintiff)
Judgment: 04/27/2020, Docketed: 05/04/2020

07/16/2020 **Order of Dismissal With Prejudice** (Judicial Officer: Denton, Mark R.)
Debtors: Barbara D Richardson (Plaintiff)
Creditors: CTC Transportation Insurance Services of Missouri, LLC (Defendant), CTC Transportation Insurance Services (Defendant), CTC Transportation Insurance Services of Hawaii (Defendant)
Judgment: 07/16/2020, Docketed: 07/20/2020

07/22/2020 **Order of Dismissal Without Prejudice** (Judicial Officer: Denton, Mark R.)
Debtors: Barbara D Richardson (Plaintiff)
Creditors: Criterion Claims Solutions of Omaha, Inc. (Defendant)
Judgment: 07/22/2020, Docketed: 07/24/2020

08/10/2020 **Order of Dismissal Without Prejudice** (Judicial Officer: Denton, Mark R.)
Debtors: Matthew Simon (Defendant), Scott McCrae (Defendant)
Creditors: Barbara D Richardson (Plaintiff)
Judgment: 08/10/2020, Docketed: 08/11/2020
Comment: Certain Claims

12/21/2020 **Dismissal Pursuant to NRCP 41** (Judicial Officer: Denton, Mark R.)
Debtors: Chelsea Holdings, LLC (Defendant)
Creditors: Barbara D Richardson (Plaintiff)
Judgment: 12/21/2020, Docketed: 12/30/2020

OTHER EVENTS AND HEARINGS

02/06/2020 **Complaint (Business Court)**
Complaint

02/06/2020 **Initial Appearance Fee Disclosure**
Initial Appearance Fee Disclosure

02/06/2020 **Notice of Department Reassignment**
Notice of Department Reassignment

02/06/2020 **Summons Electronically Issued - Service Pending**
Summons - Brenda Guffey

02/06/2020 **Summons Electronically Issued - Service Pending**
Summons - Carlos Torres

02/06/2020 **Summons Electronically Issued - Service Pending**
Summons - 10-4 Preferred Risk Managers Inc.

02/06/2020 **Summons Electronically Issued - Service Pending**
Summons - 195 Gluten Free

02/06/2020 **Summons Electronically Issued - Service Pending**
Summons - Chelsea Financial Group, Inc. CA

02/06/2020 **Summons Electronically Issued - Service Pending**
Summons - Chelsea Financial Group, Inc. dba Chelsea Premium Finance Corporation

02/06/2020 **Summons Electronically Issued - Service Pending**
Summons Chelsea Financial Group, Inc. DE

02/06/2020 **Summons Electronically Issued - Service Pending**
Summons - Chelsea Financial Group, Inc. MO

02/06/2020 **Summons Electronically Issued - Service Pending**
Summons - Chelsea Holding Company, LLC NV

02/06/2020 **Summons Electronically Issued - Service Pending**
Summons - Chelsea Holdings, LLC NV

02/06/2020 **Summons Electronically Issued - Service Pending**
Summons - Criterion Claims Solutions of Omaha, Inc.

02/06/2020 **Summons Electronically Issued - Service Pending**
Summons - CTC Transportation Insurance Service LLC

02/06/2020 **Summons Electronically Issued - Service Pending**
Summons - CTC Transportation Insurance Services of Hawaii LLC

02/06/2020 **Summons Electronically Issued - Service Pending**

	<i>Summons - CTC Transportation Insurance Services of Missouri LLC</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Daniel George</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Fourgorean Capital, LLC</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Global Capital Group, LLC</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Global Consulting</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Global Forwarding Enterprises LLC</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - ICAP Management Solutions, LLC</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Igor Kapelnikov</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - IronJab LLC</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - James Gelsin Marx</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - John S. Maloney</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Kapa Management Consulting, Inc.</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Kapa Ventures, Inc.</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Lexicon Insurance Management LLC</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Matthew Simon</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - New Tech Capital</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Pavel Kapelnikov</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Quote My Rig LLC</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Scott A. McCrae</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Six Eleven LLC</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Thomas A. Mulligan</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Virginia Torres</i>
02/06/2020	Summons Electronically Issued - Service Pending
	<i>Summons - Yanina G. Kapelnikov</i>
02/06/2020	Summons Electronically Issued - Service Pending
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - 195 Gluten Free LLC</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - Carlos Torres</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - Chelsea Financial Group (NJ)</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - Chelsea Financial Group, Inc.</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - Chelsea Holding Company LLC</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - CTC Transportation Insurance Services of Missouri LLC</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - CTC Transportation Insurance Services</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - Fourgorean Capital, LLC</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - Global Capital Group</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - Global Forwarding Enterprises</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - Igor Kapelnikov</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - Ironjab, LLC</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service Kapa Management Consulting, Inc.</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service Kapa Ventures, Inc.</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - New Tech Capital, LLC</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - Pavel Kapelnikov</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - Quote My Rig LLC</i>
02/24/2020	Affidavit of Service
	<i>Affidavit of Service - Six Eleven LLC</i>
02/24/2020	Acceptance of Service
	<i>Affidavit of Service - Virginia Torres</i>

3/31/2021

<https://www.clarkcountycourts.us/Anonymous/CaseDetail.aspx?CaseID=12022346>

02/24/2020 **Affidavit of Service**
Affidavit of Service - Yanina Kapelnikov

02/28/2020 **Affidavit of Service**
Affidavit of Service

02/28/2020 **Affidavit of Service**
Affidavit of Service

02/28/2020 **Affidavit of Service**
Affidavit of Service

02/28/2020 **Affidavit of Service**
Affidavit of Service - James Gelsin Marx

02/28/2020 **Affidavit of Service**
Affidavit of Service

03/06/2020 **Affidavit of Service**
Affidavit of Service - Chelsea Financial Group, Inc. (DE)

03/06/2020 **Affidavit of Service**
Affidavit of Service - Daniel George

03/06/2020 **Affidavit of Service**
Affidavit of Service - Criterion Claims Solutions of Omaha Inc.

03/06/2020 **Affidavit of Service**
Affidavit of Service CTC Transportation Insurance Service of Hawaii, LLC

03/06/2020 **Affidavit of Service**
Affidavit of Service Icap Management Solutions, LLC

03/06/2020 **Affidavit of Service**
Affidavit of Service - Matthew Simon

03/06/2020 **Affidavit of Service**
Affidavit of Service - Scott McCrae

03/16/2020 **Affidavit of Service**
Affidavit of Service - Chelsea Financial Group, Inc.

03/19/2020 **Affidavit of Service**
Affidavit of Service - John S. Maloney

03/23/2020 **Affidavit of Service**
Affidavit of Service - Brenda Guffey

03/27/2020 **Answer (Business Court)**
Defendants Pavel Kapelnikov s; Chelsea Financial Group, Inc., A New Jersey Corporation s; Chelsea Financial Group, Inc., A California Corporation s; Global Forwarding Enterprises, LLC s; Kapa Management Consulting, Inc. s And Kapa Ventures, Inc. s Answer To Plaintiff s Complaint

03/27/2020 **Initial Appearance Fee Disclosure**
Defendants Pavel Kapelnikov s; Chelsea Financial Group, Inc., A New Jersey Corporation s; Chelsea Financial Group, Inc., A California Corporation s; Global Forwarding Enterprises, LLC s; Kapa Management Consulting, Inc. s And Kapa Ventures, Inc. s Initial Appearance Fee Disclosure

03/27/2020 **Demand for Jury Trial**
Defendants Pavel Kapelnikov s; Chelsea Financial Group, Inc., A New Jersey Corporation s; Chelsea Financial Group, Inc., A California Corporation s; Global Forwarding Enterprises, LLC s; Kapa Management Consulting, Inc. s And Kapa Ventures, Inc. s Demand For Jury Trial

03/30/2020 **Acknowledgment**
Notice and Acknowledgment for Service by Mail

03/31/2020 **Minute Order** (9:41 AM) (Judicial Officer Gonzalez, Elizabeth)
Minute Order Suspending Requirements
[Minutes](#)

Result: Minute Order - No Hearing Held

04/01/2020 **Answer (Business Court)**
Brenda Guffey Answer to Plaintiff's Complaint

04/01/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant 10-4 Preferred Risk Managers, Inc.

04/01/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant 195 Gluten Free LLC

04/01/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Fourgorean Capital, LLC

04/01/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Global Capital Group, LLC

04/01/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Ironjab LLC

04/01/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant New Tech Capital, LLC

04/01/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Quote My Rig LLC

04/01/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Six Eleven LLC

04/02/2020 **Answer to Complaint**
Defendant James Marx's Answer to Plaintiff's Complaint

04/02/2020 **Initial Appearance Fee Disclosure**
Initial Appearance Fee Disclosure (NRS Chapter 19)

04/02/2020 **Peremptory Challenge**
Notice of Peremptory Challenge

04/02/2020 **Answer to Complaint**
Defendant ICAP Management Solutions, LLC's Answer to Complaint

04/02/2020 **Answer to Complaint**
Defendant Lexicon Insurance Management LLC's Answer to Complaint

04/02/2020 **Answer to Complaint**
Defendant Daniel George's Answer to Complaint

04/02/2020 **Initial Appearance Fee Disclosure**
Initial Appearance Fee Disclosure

04/02/2020 **Filing Fee Remittance**
Filing Fee Remittance for Notice of Peremptory Challenge

<https://www.clarkcountycourts.us/Anonymous/CaseDetail.aspx?CaseID=12022346>

5/12

APP1459

3/31/2021

<https://www.clarkcountycourts.us/Anonymous/CaseDetail.aspx?CaseID=12022346>

04/03/2020 **Notice of Department Reassignment**
Notice of Department Reassignment

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Virginia Torres

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Carlos Torres

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Igor Kapelnikov

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Yanina Kapelnikov

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Chelsea Holding Company, LLC

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Chelsea Financial Group, Inc. (CA)

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Chelsea Financial Group, Inc. (MO)

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant CTC Transportation Insurance Services of Missouri, LLC

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Chelsea Financial Group, Inc. (DE)

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant CTC Transportation Insurance Services LLC (CA)

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant CTC Transportation Insurance Services of Hawaii LLC

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Criterion Claims Solutions of Omaha, Inc.

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Chelsea Financial Group dba Chelsea Premium Finance Corp (PA)

04/08/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant Chelsea Holdings, LLC

04/15/2020 **Answer (Business Court)**
Defendants Igor And Yanina Kapelnikov s Answer To Plaintiff s Complaint

04/15/2020 **Initial Appearance Fee Disclosure**
Defendants Igor And Yanina Kapelnikov s Initial Appearance Fee Disclosure

04/15/2020 **Demand for Jury Trial**
Defendants Igor And Yanina Kapelnikov s Demand For Jury Trial

04/17/2020 **Answer (Business Court)**
Answer to Plaintiff's Complaint on Behalf of Carlos Torres and Virginia Torres

04/17/2020 **Initial Appearance Fee Disclosure**
Initial Appearance Fee Disclosure (NRS Chapter 19)

04/17/2020 **Default**
Default - Global Capital Group, LLC

04/24/2020 **Notice of Entry of Default**
Notice of Entry of Default - Global Capital Group, LLC

04/27/2020 **Notice of Voluntary Dismissal Without Prejudice**
Notice of Voluntary Dismissal (Chelsea Financial Group, Inc., a Delaware Corporation)

04/28/2020 **Stipulation and Order**
Stipulation and Order Re: New Tech Capital, LLC's Investment in Iterative Capital Management, L.P.

05/01/2020 **Three Day Notice of Intent to Default**
Three Day Notice of Intent to Take Default Upon Defendant John Maloney

05/13/2020 **Answer to Complaint**
Defendant John Maloney's Answer to Plaintiff's Complaint

05/13/2020 **Initial Appearance Fee Disclosure**
Initial Appearance Fee Disclosure (NRS Chapter 19)

05/13/2020 **Notice of Change of Address**
Notice of Change of Address

05/14/2020 **Motion to Compel**
Defendants CTC Transportation Insurance Services of Missouri, LLC; CTC Transportation Insurance Services LLC; and CTC Transportation Insurance Services of Hawaii LLC's Motion to Compel Arbitration

05/14/2020 **Initial Appearance Fee Disclosure**
Initial Appearance Fee Disclosure

05/14/2020 **Answer (Business Court)**
Defendant Thomas Mulligan's Answer to Complaint

05/14/2020 **Motion to Compel**
Defendant Criterion Claim Solutions of Omaha Inc.'s Motion to Compel Arbitration

05/14/2020 **Initial Appearance Fee Disclosure**
Initial Appearance Fee Disclosure

05/14/2020 **Initial Appearance Fee Disclosure**
Initial Appearance Fee Disclosure

05/14/2020 **Answer to Complaint**
Answer to Complaint

05/14/2020 **Motion to Dismiss**
Defendants Scott McCrea and Matthew Simon Jr.'s Motion to Dismiss

05/14/2020 **Initial Appearance Fee Disclosure**
Initial Appearance Fee Disclosure

05/15/2020 **Clerk's Notice of Hearing**
Notice of Hearing

05/15/2020 **Disclosure Statement**
NRCF Rule 7.1 Disclosure Statement

05/15/2020 **Notice of Entry of Stipulation and Order**
Notice of Entry of Stipulation and Order re New Tech Capital, LLC's Investment in Iterative Capital Management, L.P.

05/15/2020 **Default**
Default - Chelsea Holdings, LLC

05/15/2020 **Default**

<https://www.clarkcountycourts.us/Anonymous/CaseDetail.aspx?CaseID=12022346>

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(Set Aside 06/04/2020) Default - Chelsea Financial Group, Inc. a Missouri Corp.

05/18/2020 **Clerk's Notice of Hearing**
Notice of Hearing

05/21/2020 **Disclosure Statement**
Six Eleven LLC, Quote My Rig LLC, New Tech Capital LLC, 195 Gluten Free LLC, 10-4 Preferred Risk Managers Inc., Ironjab LLC, Fourgorean Capital LLC, and Chelsea Holding Company LLC's Rule 7.1 Disclosure Statement

05/21/2020 **Notice of Entry of Default**
Notice of Entry of Default - Chelsea Holdings, LLC

05/21/2020 **Notice of Entry of Default**
Notice of Entry of Default- Chelsea Financial Group, Inc. MO

05/28/2020 **Stipulation and Order**
Stipulation and Order to Continue Deadline to File Opposition to the CTC Defendants' Motion to Compel Arbitration

05/28/2020 **Stipulation and Order**
Stipulation and Order to Continue Deadline to File Opposition to Defendants Scott McCrae and Matthew Simon, Jr's Motion to Dismiss

06/04/2020 **Opposition to Motion to Dismiss**
Opposition to Defendants Scott McCrae and Matthew Simon, Jr.'s Motion to Dismiss

06/04/2020 **Opposition to Motion to Compel**
Plaintiff's Opposition to Criterion Claim Solutions of Omaha Inc.'s Motion to Compel Arbitration

06/04/2020 **Opposition to Motion to Compel**
Plaintiff's Opposition to CTC Defendants' Motion to Compel Arbitration

06/04/2020 **Appendix**
Appendix of Exhibits in Support of Plaintiff's Opposition to CTC Defendants' Motion to Compel Arbitration

06/04/2020 **Stipulation and Order**
Stipulation and Order to Set Aside Default Against Chelsea Financial Group Inc., A Missouri Corporation

06/04/2020 **Redacted Version**
PER ORDER 9/22/20 Redacted version of Appendix

06/05/2020 **Notice of Entry of Order**
Notice of Entry of Stipulation and Order to Set Aside Default Against Chelsea Financial Group

06/05/2020 **Ex Parte**
Ex Parte Motion to Seal Redact or Deem Protected Exhibits 4-7 to the Appendix of Exhibits Filed in Support of Plaintiff's Opposition to CTC Defendants Motion to Compel Arbitration

06/08/2020 **Stipulation and Order**
Stipulation and Order to Continue Deadline to File Opposition to Criterion Claim Solutions of Omaha, Inc.'s Motion to Compel Arbitration

06/09/2020 **Notice of Entry of Stipulation and Order**
Notice of Entry of Stipulation and Order to Extend Time to Submit Opposition to Motion to Compel Arbitration

06/10/2020 **Answer to Complaint**
Defendant Chelsea Financial Group, Inc., A Missouri Corporation's Answer To Complaint

06/10/2020 **Initial Appearance Fee Disclosure**
Initial Appearance Fee Disclosure

06/11/2020 **Reply in Support**
Defendants CTC Transportation Insurance Services of Missouri, LLC; CTC Transportation Insurance Services LLC; and CTC Transportation Insurance Services of Hawaii LLC's Reply in Support of Motion to Compel Arbitration

06/11/2020 **Reply in Support**
Defendants Scott McCrae and Matthew Simon Jr.'s Reply in Support of Motion to Dismiss Plaintiff's Complaint

06/11/2020 **Reply in Support**
Defendant Criterion Claim Solutions of Omaha, Inc.'s Reply in Support of Its Motion to Compel Arbitration

06/15/2020 **Minute Order** (1:00 PM) (Judicial Officer Denton, Mark R.)
Re: June 18, 2020 Motions
[Minutes](#)
Result: Minute Order - No Hearing Held

06/16/2020 **Filing Fee Remittance**
Filing Fee Remittance

06/16/2020 **Filing Fee Remittance**
Filing Fee Remittance - Transfer to Business Court

06/18/2020 **CANCELED Motion to Compel** (9:00 AM) (Judicial Officer Denton, Mark R.)
Vacated
Defendants CTC Transportation Insurance Services of Missouri, LLC; CTC Transportation Insurance Services LLC; and CTC Transportation Insurance Services of Hawaii LLC's Motion to Compel Arbitration

06/18/2020 **CANCELED Motion to Dismiss** (9:00 AM) (Judicial Officer Denton, Mark R.)
Vacated
Defendants Scott McCrae and Matthew Simon Jr.'s Motion to Dismiss

06/18/2020 **CANCELED Motion to Compel** (9:00 AM) (Judicial Officer Denton, Mark R.)
Vacated
Defendant Criterion Claim Solutions of Omaha Inc.'s Motion to Compel Arbitration

06/18/2020 **Notice of Entry of Stipulation and Order**
Notice of Entry of Stipulation and Order to Continue Deadline to File Opposition to Scott McCrae and Matthew Simon Jr. s Motion to Dismiss

06/18/2020 **Notice of Entry of Stipulation and Order**
Notice of Entry of Stipulation and Order to Continue Deadline to File Opposition to CTC Defendants' Motion to Compel Arbitration

07/06/2020 **Minute Order** (11:45 AM) (Judicial Officer Denton, Mark R.)
Re: CTC Defendants' Motion to Compel Arbitration
[Minutes](#)
Result: Minute Order - No Hearing Held

07/06/2020 **Minute Order** (11:45 AM) (Judicial Officer Denton, Mark R.)
Re: Defendant Criterion Claim Solutions of Omaha, Inc. s Motion to Compel Arbitration
[Minutes](#)
Result: Minute Order - No Hearing Held

07/06/2020 **Minute Order** (11:45 AM) (Judicial Officer Denton, Mark R.)
Re: Defendants Scott McCrae and Matthew Simon, Jr. s Motion to Dismiss
[Minutes](#)
Result: Minute Order - No Hearing Held

07/16/2020 **Order Granting Motion**

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<https://www.clarkcountycourts.us/Anonymous/CaseDetail.aspx?CaseID=12022346>

Order Granting Defendants CTC Transportation Insurance Services of Missouri, LLC; CTC Transportation Insurance Services, LLC; and CTC Transportation Insurance Services of Hawaii, LLC's Motion to Compel Arbitration

07/17/2020 **Notice of Entry of Order**
Notice of Entry of Order Granting Defendants CTC Transportation Insurance Services of Missouri, LLC; CTC Transportation Insurance Services of Hawaii, LLC; and CTC Transportation Insurance Services of Hawaii LLC's Motion to Compel Arbitration

07/22/2020 **Order Granting Motion**
Order Granting Criterion Claim Solutions of Omaha, Inc.'s Motion to Compel Arbitration

07/23/2020 **Notice of Entry**
Notice of Entry of Order Granting Criterion Claim Solutions of Omaha, Inc.'s Motion to Compel Arbitration

07/30/2020 **Motion to Reconsider**
Plaintiffs' Motion for Reconsideration and/or Clarification of the Court's July 17, 2020 Order Regarding CTC Defendants' Motion to Compel Arbitration

07/31/2020 **Clerk's Notice of Hearing**
Notice of Hearing

08/05/2020 **Motion to Reconsider**
Plaintiff's Motion for Reconsideration and/or Clarification of the Court's July 22, 2020 Order Regarding Criterion Claim Solutions of Omaha Inc.'s Motion to Compel Arbitration

08/06/2020 **Clerk's Notice of Hearing**
Notice of Hearing

08/10/2020 **Order**
Order Granting In Part and Denying in Part Defendants Scott McCrae and Matthew Simon, Jr.'s Motion to Dismiss

08/11/2020 **Notice of Entry of Order**
Notice of Entry of Order

08/13/2020 **Opposition to Motion**
Defendants CTC Transportation Insurance Services of Missouri, LLC; CTC Transportation Insurance Services LLC; and CTC Transportation Insurance Services of Hawaii LLC's Opposition to Plaintiff's Motion for Reconsideration and/or Clarification of the Court's July 17, 2020 Order Regarding the CTC Defendants' Motion to Compel Arbitration

08/19/2020 **Opposition to Motion**
Defendant Criterion Claim Solutions of Omaha, Inc.'s Opposition to Plaintiff's Motion For Reconsideration and/or Clarification of the Court's July 22, 2020 Order Regarding Criterion Claim Solutions of Omaha, Inc.'s Motion to Compel Arbitration

08/21/2020 **Business Court Order**
Business Court Order

08/21/2020 **Motion to Seal/Redact Records**
Plaintiff's Ex Parte Motion to Seal, Redact, or Deem Protected Exhibits 4-7 to the Appendix of Exhibits filed in Support of Plaintiff's Opposition to CTC Defendants' Motion to Compel Arbitration

08/24/2020 **Clerk's Notice of Hearing**
Notice of Hearing

08/24/2020 **Reply in Support**
Reply in Support of Plaintiff's Motion for Reconsideration and/or Clarification of the Court's July 17, 2020 Order Regarding CTC Defendants' Motion to Compel Arbitration

08/25/2020 **Answer to Complaint**
Matthew Simon Jr.'s Answer to Complaint

08/25/2020 **Answer to Complaint**
Scott McCrae's Answer to Complaint

08/26/2020 **Minute Order** (4:20 PM) (Judicial Officer Denton, Mark R.)
Re: Plaintiff's Motion for Reconsideration and/or Clarification of the Court's July 17, 2020 Order Regarding CTC Defendants' Motion to Compel Arbitration
[Minutes](#)

08/28/2020 Result: Minute Order - No Hearing Held
Minute Order (3:00 AM) (Judicial Officer Denton, Mark R.)
Minute Order: BlueJeans Appearance
[Minutes](#)

08/28/2020 Result: Minute Order - No Hearing Held

08/28/2020 **Motion to Stay**
Motion to Stay Pending Arbitration

08/28/2020 **Clerk's Notice of Hearing**
Notice of Hearing

08/31/2020 **CANCELED Motion For Reconsideration** (9:00 AM) (Judicial Officer Denton, Mark R.)
Vacated
Plaintiffs' Motion for Reconsideration and/or Clarification of the Court's July 17, 2020 Order Regarding CTC Defendants' Motion to Compel Arbitration

08/31/2020 **Mandatory Rule 16 Conference** (2:00 PM) (Judicial Officer Denton, Mark R.)
[Parties Present](#)
[Minutes](#)

09/01/2020 Result: Matter Heard
Reply in Support
Reply in Support of Plaintiff's Motion for Reconsideration and/or Clarification of Court's July 22, 2020 Order Regarding Criterion Claim Solutions of Omaha, Inc.'s Motion to Compel Arbitration

09/02/2020 **Joinder To Motion**
Defendant Brenda Guffey's Joinder to the "Six Eleven Defendants" Motion to Stay Pending Arbitration

09/02/2020 **Joinder To Motion**
Joinder to Motion to Stay Pending Arbitration

09/03/2020 **Joinder To Motion**
Defendants Pavel Kapelnikov's; Chelsea Financial Group, Inc., a New Jersey Corporation's; Chelsea Financial Group, Inc. a California Corporation's; Global Forwarding Enterprises, LLC's; Kapa Management Consulting, Inc.'s; Kapa Ventures, Inc.'s; and Igor and Yanina Kapelnikov's Joinder to Motion to Stay Pending Arbitration

09/03/2020 **Minute Order** (1:45 PM) (Judicial Officer Denton, Mark R.)
Re: Plaintiff's Motion for Reconsideration and/or Clarification of the Court's July 22, 2020 Order Regarding Criterion Claim Solutions of Omaha Inc.'s Motion to Compel Arbitration
[Minutes](#)

Result: Minute Order - No Hearing Held

<https://www.clarkcountycourts.us/Anonymous/CaseDetail.aspx?CaseID=12022346>

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09/03/2020 **Joinder To Motion**
Defendant Thomas Mulligan's Joinder to Motion to Stay Pending Arbitration

09/03/2020 **Joinder To Motion**
Lexicon Insurance Management LLC, Daniel George, and ICAP Management Solutions, LLC's Joinder to Motion to Stay Pending Arbitration

09/03/2020 **Joinder To Motion**
Defendants Matthew Simon Jr. and Scott McCrae's Joinder to Motion to Stay Pending Arbitration

09/04/2020 **Minute Order** (11:30 AM) (Judicial Officer Denton, Mark R.)
Re: Plaintiff's Motion for Reconsideration and/or Clarification of the Court's July 17, 2020 Order Regarding CTC Defendants' Motion to Compel Arbitration
[Minutes](#)
Result: Minute Order - No Hearing Held

09/08/2020 **CANCELED Motion For Reconsideration** (9:00 AM) (Judicial Officer Denton, Mark R.)
Vacated
Plaintiff's Motion for Reconsideration and/or Clarification of the Court's July 22, 2020 Order Regarding Criterion Claim Solutions of Omaha Inc.'s Motion to Compel Arbitration

09/11/2020 **Opposition**
Plaintiff's Opposition to Motion to Stay Pending Arbitration and Joinders Thereto

09/14/2020 **Minute Order** (7:15 AM) (Judicial Officer Denton, Mark R.)
Re: Plaintiff's Motion for Reconsideration and/or Clarification of the Court's July 22, 2020 Order Regarding Criterion Claim Solutions of Omaha, Inc.'s Motion to Compel Arbitration
[Minutes](#)
Result: Minute Order - No Hearing Held

09/16/2020 **Reply in Support**
Defendant Thomas Mulligan's Reply in Support of Joinder to Motion to Stay Pending Arbitration

09/16/2020 **Order Denying Motion**
Order Denying Plaintiff's Motion for Reconsideration and/or Clarification of the Court's July 17, 2020 Order Regarding the CTC Defendants' Motion to Compel Arbitration

09/16/2020 **Reply in Support**
Defendants James Marx, John Maloney, Virginia Torres, And Carlos Torres Reply In Support Of Joinder To Motion To Stay Pending Arbitration

09/16/2020 **Reply in Support**
Lexicon Insurance Management LLC, ICAP Management Solutions, LLC, and Daniel George's Reply in Support of Motion to Stay Pending Arbitration and Joinder Thereto

09/16/2020 **Notice of Entry of Order**
Notice of Entry of Order Denying Plaintiff's Motion for Reconsideration and/or Clarification of the Court's July 17, 2020 Order Regarding the CTC Defendants' Motion to Compel Arbitration

09/16/2020 **Reply in Support**
Reply in Support of Motion to Stay Pending Arbitration

09/17/2020 **Minute Order** (9:30 AM) (Judicial Officer Denton, Mark R.)
Re: BlueJeans Appearance
[Minutes](#)
Result: Minute Order - No Hearing Held

09/18/2020 **Minute Order** (7:15 AM) (Judicial Officer Denton, Mark R.)
Re: Plaintiff's Ex Parte Motion to Seal, Redact, or Deem Protected Exhibits 4-7 to the Appendix of Exhibits filed in Support of Plaintiff's Opposition to CTC Defendants' Motion to Compel Arbitration and Notice of Motion
[Minutes](#)
Result: Minute Order - No Hearing Held

09/18/2020 **Stipulation and Order**
Stipulation and Order to Continue Hearing

09/18/2020 **Joinder**
Defendant Brenda Guffey's Substantive Joinder to the Defendant Thomas Mulligan's Reply in Support of Joinder Motion to Stay Pending Arbitration

09/22/2020 **Order Granting Motion**
Order Granting Ex Parte Motion to Seal Redact or Deem Protected Exhibits 4-7 to the Appendix of Exhibits Filed in Support of Plaintiff's Opposition to CTC Defendants' Motion to Compel Arbitration

09/24/2020 **CANCELED Motion to Seal/Redact Records** (9:00 AM) (Judicial Officer Denton, Mark R.)
Vacated
Plaintiff's Ex Parte Motion to Seal, Redact, or Deem Protected Exhibits 4-7 to the Appendix of Exhibits filed in Support of Plaintiff's Opposition to CTC Defendants' Motion to Compel Arbitration and Notice of Motion

09/24/2020 **Minute Order** (3:00 PM) (Judicial Officer Denton, Mark R.)
Re: BlueJeans Appearance
[Minutes](#)
Result: Minute Order - No Hearing Held

09/28/2020 **Motion For Stay** (9:00 AM) (Judicial Officer Denton, Mark R.)
Defendants' Motion to Stay Pending Arbitration
09/21/2020 Reset by Court to 09/28/2020
09/28/2020 Reset by Court to 09/21/2020
Result: Granted

09/28/2020 **Joinder** (9:00 AM) (Judicial Officer Denton, Mark R.)
Defendant Brenda Guffey's Joinder to the "Six Eleven Defendants" Motion to Stay Pending Arbitration
09/21/2020 Reset by Court to 09/28/2020
Result: Granted

09/28/2020 **Joinder** (9:00 AM) (Judicial Officer Denton, Mark R.)
Defendant's Joinder to Motion to Stay Pending Arbitration
09/21/2020 Reset by Court to 09/28/2020
Result: Granted

09/28/2020 **Joinder** (9:00 AM) (Judicial Officer Denton, Mark R.)
Defendants Pavel Kapelnikov's; Chelsea Financial Group, Inc., a New Jersey Corporation's; Chelsea Financial Group, Inc. a California Corporation's; Global Forwarding Enterprises, LLC's; Kapa Management Consulting, Inc.'s; Kapa Ventures, Inc.'s; and Igor and Yanina Kapelnikov's Joinder to Motion to Stay Pending Arbitration

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<https://www.clarkcountycourts.us/Anonymous/CaseDetail.aspx?CaseID=12022346>

	09/21/2020	Reset by Court to 09/28/2020
		Result: Granted
09/28/2020		Joinder (9:00 AM) (Judicial Officer Denton, Mark R.) <i>Lexicon Insurance Management LLC, Daniel George, and ICAP Management Solutions, LLC's Joinder to Motion to Stay Pending Arbitration</i> 09/21/2020 Reset by Court to 09/28/2020
		Result: Granted
09/28/2020		Joinder (9:00 AM) (Judicial Officer Denton, Mark R.) <i>Defendant Thomas Mulligan's Joinder to Motion to Stay Pending Arbitration</i> 09/21/2020 Reset by Court to 09/28/2020
		Result: Granted
09/28/2020		Joinder (9:00 AM) (Judicial Officer Denton, Mark R.) <i>Defendants Matthew Simon Jr. and Scott McCrae's Joinder to Motion to Stay Pending Arbitration</i> 09/21/2020 Reset by Court to 09/28/2020
		Result: Granted
09/28/2020		All Pending Motions (9:00 AM) (Judicial Officer Denton, Mark R.) Parties Present Minutes
		Result: Matter Heard
09/29/2020		Order Denying Motion <i>Order Denying Plaintiff's Motion For Reconsideration and or Clarification of the Court's July 22, 2020 Order Regarding Criterion Claim Solutions of Omaha, Inc.'s Motion to Compel Arbitration</i>
09/29/2020		Notice of Entry of Order <i>Notice of Entry of Order Denying Plaintiff's Motion For Reconsideration and/or Clarification of the Court's July 22, 2020 Order Regarding Criterion Claim Solutions of Omaha, Inc.'s Motion to Compel Arbitration</i>
10/02/2020		Minute Order (1:30 PM) (Judicial Officer Denton, Mark R.) <i>Re: Motion to Stay Pending Arbitration and Joinders</i> Minutes
		Result: Minute Order - No Hearing Held
11/06/2020		Recorders Transcript of Hearing <i>Recorder's Transcript of Hearing Re: All Pending Motions - September 28, 2020</i>
11/17/2020		Order Granting Motion <i>Order Granting Motion to Stay Pending Arbitration and Joinders Thereto</i>
11/17/2020		Notice of Entry of Order <i>Notice of Entry of Order Granting Motion to Stay Pending Arbitration and Joinders Thereto</i>
12/09/2020		Notice of Change of Address <i>Notice of Change of Firm Address</i>
12/21/2020		Notice of Voluntary Dismissal <i>Notice of Voluntary Dismissal</i>
12/22/2020		Certificate of Service <i>Certificate of Service re Notice of Voluntary Dismissal - Chelsea Holdings, LLC</i>
03/18/2021		Notice of Change of Address <i>Notice of Change of Address</i>

FINANCIAL INFORMATION

	Defendant Criterion Claims Solutions of Omaha, Inc.		
	Total Financial Assessment		1,483.00
	Total Payments and Credits		1,483.00
	Balance Due as of 03/31/2021		0.00
05/14/2020	Transaction Assessment		1,483.00
05/14/2020	Efile Payment	Receipt # 2020-26295-CCCLK	Criterion Claims Solutions of Omaha, Inc. (1,483.00)
	Defendant CTC Transportation Insurance Services of Missouri, LLC		
	Total Financial Assessment		1,543.00
	Total Payments and Credits		1,543.00
	Balance Due as of 03/31/2021		0.00
05/14/2020	Transaction Assessment		1,543.00
05/14/2020	Efile Payment	Receipt # 2020-26126-CCCLK	CTC Transportation Insurance Services of Missouri, LLC (1,543.00)
	Defendant George, Daniel		
	Total Financial Assessment		0.00
	Total Payments and Credits		0.00
	Balance Due as of 03/31/2021		0.00
	Defendant Guffey, Brenda		
	Total Financial Assessment		1,483.00
	Total Payments and Credits		1,483.00
	Balance Due as of 03/31/2021		0.00

<https://www.clarkcountycourts.us/Anonymous/CaseDetail.aspx?CaseID=12022346>

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04/01/2020	Transaction Assessment			1,483.00
04/01/2020	Efile Payment	Receipt # 2020-18701-CCCLK	Guffey, Brenda	(1,483.00)

Defendant ICAP Management Solutions, LLC, a Vermont LLC
 Total Financial Assessment 0.00
 Total Payments and Credits 0.00
Balance Due as of 03/31/2021 0.00

Defendant Kapelnikov, Igor
 Total Financial Assessment 1,513.00
 Total Payments and Credits 1,513.00
Balance Due as of 03/31/2021 0.00

04/15/2020	Transaction Assessment			1,513.00
04/15/2020	Efile Payment	Receipt # 2020-20596-CCCLK	Kapelnikov, Igor	(1,513.00)

Defendant Kapelnikov, Pavel
 Total Financial Assessment 1,633.00
 Total Payments and Credits 1,633.00
Balance Due as of 03/31/2021 0.00

03/27/2020	Transaction Assessment			1,633.00
03/27/2020	Efile Payment	Receipt # 2020-18089-CCCLK	Kapelnikov, Pavel	(1,633.00)

Defendant Lexicon Insurance Management LLC, a North Carolina LLC
 Total Financial Assessment 2,007.00
 Total Payments and Credits 2,007.00
Balance Due as of 03/31/2021 0.00

04/03/2020	Efile Payment	Receipt # 2020-18978-CCCLK	Lexicon Insurance Management LLC, a North Carolina LLC	(676.50)
04/03/2020	Transaction Assessment			453.50
06/16/2020	Transaction Assessment			1,323.50
06/16/2020	Efile Payment	Receipt # 2020-32037-CCCLK	Lexicon Insurance Management LLC, a North Carolina LLC	(1,323.50)
09/03/2020	Transaction Assessment			223.00
09/03/2020	Transaction Assessment			3.50
09/03/2020	Efile Payment	Receipt # 2020-49353-CCCLK	Lexicon Insurance Management LLC, a North Carolina LLC	(3.50)
09/16/2020	Transaction Assessment			3.50
09/16/2020	Efile Payment	Receipt # 2020-51845-CCCLK	Lexicon Insurance Management LLC, a North Carolina LLC	(3.50)

Defendant Maloney, John
 Total Financial Assessment 1,483.00
 Total Payments and Credits 1,483.00
Balance Due as of 03/31/2021 0.00

05/13/2020	Transaction Assessment			1,483.00
05/13/2020	Efile Payment	Receipt # 2020-25956-CCCLK	Maloney, John	(1,483.00)

Defendant Marx, James
 Total Financial Assessment 1,483.00
 Total Payments and Credits 1,483.00
Balance Due as of 03/31/2021 0.00

04/02/2020	Transaction Assessment			1,483.00
04/02/2020	Efile Payment	Receipt # 2020-18868-CCCLK	Marx, James	(1,483.00)

Defendant Mulligan, Thomas
 Total Financial Assessment 1,483.00
 Total Payments and Credits 1,483.00
Balance Due as of 03/31/2021 0.00

05/14/2020	Transaction Assessment			1,483.00
05/14/2020	Efile Payment	Receipt # 2020-26243-CCCLK	Mulligan, Thomas	(1,483.00)

<https://www.clarkcountycourts.us/Anonymous/CaseDetail.aspx?CaseID=12022346>

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		Defendant Simon, Matthew	
		Total Financial Assessment	1,513.00
		Total Payments and Credits	1,513.00
		Balance Due as of 03/31/2021	0.00
05/14/2020	Transaction Assessment		1,513.00
05/14/2020	Efile Payment	Receipt # 2020-26322-CCCLK Simon, Matthew	(1,513.00)
		Defendant Six Eleven, LLC	
		Total Financial Assessment	656.00
		Total Payments and Credits	656.00
		Balance Due as of 03/31/2021	0.00
05/14/2020	Transaction Assessment		433.00
05/14/2020	Efile Payment	Receipt # 2020-26321-CCCLK Six Eleven, LLC	(433.00)
06/10/2020	Transaction Assessment		223.00
06/10/2020	Efile Payment	Receipt # 2020-30855-CCCLK Six Eleven, LLC	(223.00)
		Defendant Torres, Carlos	
		Total Financial Assessment	1,513.00
		Total Payments and Credits	1,513.00
		Balance Due as of 03/31/2021	0.00
04/17/2020	Transaction Assessment		1,513.00
04/17/2020	Efile Payment	Receipt # 2020-20981-CCCLK Torres, Carlos	(1,513.00)
		Plaintiff Richardson, Barbara D	
		Total Financial Assessment	1,536.00
		Total Payments and Credits	1,536.00
		Balance Due as of 03/31/2021	0.00
02/07/2020	Transaction Assessment		1,530.00
02/07/2020	Efile Payment	Receipt # 2020-07930-CCCLK Barbara D. Richardson in her Capacity as the Statutory Receiver for Spirit Comm.	(1,530.00)
09/02/2020	Transaction Assessment		6.00
09/02/2020	Payment (Phone)	Receipt # 2020-15027-FAM COUNTER TRANSACTION	(6.00)