

CASE NO. 82701

IN THE SUPREME COURT OF NEVADA

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

Petitioner,

vs.

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,

Respondents,

-and-

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;
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; 195 GLUTEN FREE LLC, A NEW JERSEY LIMITED LIABILITY,

Real Parties in Interest.

District Court Case No. A-20-809963-B

**REAL PARTY IN INTEREST CRITERION CLAIM SOLUTIONS OF
OMAHA, INC.'S APPENDIX TO ANSWER TO PETITION FOR WRIT OF
MANDAMUS**

VOLUME II OF II

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**REAL PARTY IN INTEREST CRITERION CLAIM SOLUTIONS OF
OMAHA, INC.'S APPENDIX TO ANSWER TO PETITION FOR WRIT OF
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VOLUME II OF II

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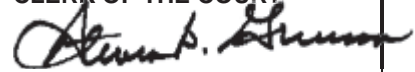
**REAL PARTY IN INTEREST CRITERION CLAIM SOLUTIONS OF
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**IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
CLARK COUNTY, NEVADA**

STATE OF NEVADA, EX REL.
COMMISSIONER OF INSURANCE, IN HER
OFFICIAL CAPACITY AS STATUTORY
RECEIVER FOR DELINQUENT DOMESTIC
INSURER,

Plaintiff,

vs.

SPIRIT COMMERCIAL AUTO RISK
RETENTION GROUP, INC., a Nevada
Domiciled Association Captive Insurance
Company,

Defendant.

Case No. A-19-787325-B
Dept. No. 27

SEVENTH STATUS REPORT

COMES NOW, Commissioner of Insurance and Receiver, Barbara D. Richardson, and CANTILO & BENNETT, L.L.P., Special Deputy Receiver ("SDR"), and files this Seventh Status Report in the above-captioned receivership. In accordance with the orders of this Court and the Nevada Revised Statutes ("NRS") Chapter 696B, the Receiver makes this "true report[s] in summary form of the insurer's affairs under the receivership and of progress being made in accomplishing the objectives of the receivership." NRS 696B.290(7).

I.

INTRODUCTION

Spirit Commercial Auto Risk Retention Group, Inc. (“Spirit” or the “Company”) is an association captive insurance company organized under the insurance laws of Nevada and the Liability Risk Retention Act of 1986. Spirit received its Certificate of Authority on February 24, 2012, and operates under the authority of NRS Chapter 694C. Spirit transacted commercial auto liability insurance business. Within that line, Spirit specialized in serving commercial truck owners.

Pursuant to NRS 679A.160, Spirit is subject to Nevada laws in Chapters 694C and 695E that pertain to captive insurers (as “captive insurer” is defined in NRS 694C.060) and risk retention groups (as “risk retention group” is defined in NRS 695E.110) that have a Certificate of Authority from the Division. Spirit is considered an association captive insurer (as “association captive insurer” is defined in NRS 694C.050). As a risk retention group (“RRG”), Spirit is subject to the Federal Liability Risk Retention Act of 1986. RRGs domiciled in Nevada do not participate in the Nevada Guaranty Association. Pursuant to NRS 695E.140(1)(a), Spirit is also subject to all laws that pertain to traditional liability insurers (with exceptions given in Bulletin 14-008).

As discussed in the Receiver’s First Status Report, Spirit is part of an Insurance Holding Company System and in large part it only did business with other members of that system. CTC Transportation Insurance Services of Missouri, LLC (“CTC”), with offices in Missouri, New Jersey, and California, served as the program administrator and managing general agent for Spirit. Criterion Claims Solutions of Omaha, Inc. (“Criterion”) was the third-party claims administrator (“TPA”) for Spirit. Lexicon Insurance Management LLC was the captive manager for the company (after Risk Services initially served in that role through circa July 2018). Chelsea Financial Group, Inc. provided premium financing services for the majority of Spirit’s policies. The company 10-4 Risk Management provided risk management and loss run services. The owner or ultimate controlling person for each of these entities is or was Thomas Mulligan.¹ All of these companies were taking a portion of the premium dollars from Spirit-issued policies.

¹ See Schedule Y: Part 1A, to the Company’s 2018 Annual Statement, the “Detail of Insurance Holding Company System” (the Receiver’s First Status Report, Ex. B).

1 The Commissioner initially filed her first petition to put the Company into receivership on
2 January 11, 2019, and her efforts to protect the policyholders and other creditors of the estate were
3 contested vigorously by the Company. On February 27, 2019, this Court entered its Permanent
4 Receivership Order. Barbara D. Richardson, Commissioner of Insurance (“Commissioner”), in her
5 capacity as Receiver for Spirit appointed the firm of CANTILO & BENNETT, L.L.P. as the Special Deputy
6 Receiver of the Companies. The “Receiver” and “Special Deputy Receiver” are referred to collectively
7 herein as the “Receiver.”

8 In brief, the Permanent Receivership Order established the following key points for the Spirit
9 receivership:

- 10 1) that the Company’s in-force insurance policies are to be canceled effective on the earlier
11 of April 15, 2019, or the date when the insured ceased making premium payments to
12 Spirit;
- 13 2) that the Receiver may impose a full suspension on all disbursements owed by Spirit,
14 including insurance policy disbursements, and costs related to the defense or adjudication
15 of insurance policy claims;
- 16 3) that the receivership court has exclusive jurisdiction over all matters pertaining to Spirit
17 and all persons are enjoined from commencing, bringing, maintaining, or further
18 prosecuting any action at law, suit in equity, arbitration, or special or other proceeding
19 against the Company, Receiver, or Special Deputy Receiver;
- 20 4) that the Receiver is vested with exclusive title both legal and equitable to all of Spirit’s
21 property wherever located, to administer under the general supervisions of the Court;
- 22 5) that the Receiver may change to her own name the name of any of Spirit’s accounts, funds
23 or other property or assets, held with any bank, savings and loan association, other
24 financial institution, or any other person, wherever located, and may withdraw such
25 funds, accounts and other assets from such institutions or take any lesser action necessary
26 for the proper conduct of the receivership; and
- 27 6) that the Receiver is authorized to establish a receivership claims and appeal procedure,
28 for all receivership claims. The receivership claims and appeals procedures shall be used

1 to facilitate the orderly disposition or resolution of claims or controversies involving the
2 receivership or the receivership estate.

3 On September 16, 2019, the Receiver filed a consolidated motion for a Final Order Placing Spirit
4 Commercial Auto Risk Retention Group into Liquidation, and for an Order Setting a Claims Filing
5 Deadline, and Granting Related Relief (the “Consolidated Motion”). The Consolidated Motion was
6 heard and granted on October 24, 2019. On November 6, 2019, the Court entered its Final Order Placing
7 Spirit into Liquidation (the “Liquidation Order”) and its Final Order Setting Claims Filing Deadline for
8 Spirit and Related Relief (“the Claims Order”). The Claims Order established a Claims Filing Deadline,
9 and procedures for filing claims against Spirit. Subsequently, the Claims Filing Deadline was extended
10 to May 31, 2021, pursuant to an order entered on September 30, 2020 (“Order Extending the Claims
11 Filing Deadline”). This is discussed further below. The Liquidation Order also granted the Receiver’s
12 request to formally place Spirit into liquidation effective on November 6, 2019.

13 II.

14 RECEIVERSHIP ADMINISTRATION

15 A. Notice of Developments in Receivership

16 The Receiver initially distributed notices regarding the Permanent Receivership Order to all
17 interested parties of Spirit, as detailed in the Receiver’s prior quarterly status reports. On August 19,
18 2019, the Court entered its Order Regarding Motion for Instructions Including Notice Requirements (the
19 “Notice Order”). The Receiver, pursuant to the requirements of the Notice Order, has given notice to
20 interested parties of the Liquidation Order, the Claims Order, and the approved procedures for filing
21 claims against Spirit in receivership.²

22 The Receiver filed a motion to extend the Claims Filing Deadline in the interest of fairness to all
23 the creditors of the estate and taking into account the serious concerns identified herein which were
24 detailed in the Motion to Extend Claims Filing Deadline.³ As noted above, the Court granted the motion
25 and the new Claims Filing Deadline is May 31, 2021. Thereafter, the Receiver has provided notice of
26

27 ² The Receiver’s Fourth Status Report (available at www.spiritinsure.com) provides a detailed description of the
28 notice procedures and the steps taken by the Receiver to provide notice to all interested parties of Spirit.

³ Filed on August 27, 2020, available for review at www.SpiritInsure.com, on the “Receivership Documents” page.

1 the new extended Claims Filing Deadline. In keeping with the Notice Order, the Receiver updated all
2 materials on the Spirit website (www.SpiritInsure.com) and prominently posted a notice about the new
3 deadline on the home page of the site. Further, in line with the Court’s Order Extending Claims Filing
4 Deadline, the Receiver mailed a postcard notice of the extended deadline to all interested parties who
5 have not already submitted a Proof of Claim form with the estate. A sample proof of the postcard that
6 was mailed, along with the affidavit of mailing, is attached as Exhibit 1. The Receiver will continue to
7 provide the updated claims filing deadline within any new notices or claims correspondence sent by the
8 receivership. Future notices about Spirit’s receivership will be provided to interested parties in
9 accordance with the Court’s Notice Order.

10 **B. Claims Administration and Third-Party Support Services**

11 TRISTAR Risk Management (“TRISTAR”) is assisting the Receiver in evaluating the incoming
12 Proofs of Claim (“POC”).⁴ There have been 1,039 POC submissions received to date. The Receiver
13 believes this number should be higher still, and it appears that there are some large open claims on the
14 Company’s pre-receivership loss run report for which no POC has yet been filed. The Receiver
15 continues to send additional targeted notice letters to parties to be sure that they are aware of the claim
16 procedures, particularly when the Receiver is able to locate contact information for new claimants not
17 previously recorded in the file (*i.e.*, because complete records were not established or kept by Criterion).

18 As previously reported, the Receiver must review each POC form to be sure it is complete and
19 that it complies with the requirements of NRS 696B.330 and the procedures established by the
20 Receivership Court. The Receiver provides written notice to claimants when their POC form cannot be
21 further processed due to failing initial review—if it is *inter alia* a duplicate submission, unsworn,
22 unsigned, substantially incomplete, and/or lacking sufficient documentation or explanation to allow the
23 claim to be determined. In many other instances the POC form is complete, but the claim may be lacking
24 key documentation and/or information that is needed to fully evaluate and determine the claim(s). The
25 claimant is then provided a written notice, and the opportunity to submit additional materials to cure the

26 ⁴ As reported in the previous status report, TRISTAR has also conducted a review of Spirit’s open claim files,
27 assessed the reasonableness of the claim reserves previously set by the Company and its claims manager, Criterion, and made
28 recommendations as to any reserve adjustments needed. In short, and among other findings, TRISTAR found that the
Company was grossly under-reserved. The report is attached as an exhibit to the Receiver’s Sixth Status Report, available at
www.SpiritInsure.com.

1 defect. This is a key part of the work that is ongoing at this time in claims administration, in addition to
2 reviewing and evaluating the POCs that are complete.

3 The United States has filed a POC in the receivership, asserting the priority of its claims—if any
4 (they are unknown at this time according to the POC)—over and above any other claims against the
5 estate pursuant to 31 U.S. Code § 3713, also known as the government’s “superpriority” statute. The
6 Receiver will report further on this matter in subsequent status reports. This matter remains pending as
7 of this Seventh Status Report.

8 The policy data of Spirit is held in the Aspire Information System (“Aspire”), which was created
9 by Maple Technologies. The Receiver has an agreement with Maple Technologies whereby the Receiver
10 will continue to have access to this system for a time, for the purposes of conducting an evaluation of
11 Spirit’s operations and policies. TRISTAR staff and receivership staff have been trained to use this
12 system in order to research and review Spirit policy and claim matters. The Receiver believes that this
13 system is still of value to the receivership, particularly during the pendency of the POC process and
14 certain litigation matters. The Receiver will regularly review the need for this system.

15 Actuarial firm Oliver Wyman Actuarial Consulting, Inc. (“Oliver Wyman”) has been engaged to
16 prepare actuarial estimates for Spirit’s claims and future losses.

17 Calhoun, Thompson & Matza, L.L.P. is a CPA firm that has been hired by the Receiver to prepare
18 Spirit’s federal and state tax returns.

19 Palomar Financial, LC (“Palomar”) is an affiliated company of the Special Deputy Receiver and
20 performs financial and technical administrative support services for Spirit in receivership—and those
21 services are now being performed by Palomar. Palomar is being used to facilitate the receivership’s
22 administration of financial matters. The Receiver, with assistance from Palomar, has finalized all
23 outstanding premium tax matters for the Company, including tax matters that were left outstanding and
24 overdue by former Spirit leadership at the outset of the Receivership.

25 The Receiver has continued to receive notice from time to time of lawsuits filed against Spirit in
26 violation of the Court’s Permanent Receivership Order. The Receiver will continue its established
27 procedure of writing to the parties involved to inform them of the injunctions of the Permanent
28 Receivership Order, and to request a voluntary dismissal of Spirit from the matter. Thus far, the majority

1 of counsel have been amenable to such requests. In limited cases and only when absolutely necessary,
2 the Receiver will engage outside counsel to address ongoing or repeated violations of this Court's orders.

3 The Receiver has been required to engage outside counsel Frost Brown Todd in a Kentucky
4 matter where a plaintiff's attorney has refused to dismiss Spirit as a defendant, even after numerous
5 warnings that he is in violation of the Receivership Court's orders. The Receiver is working with outside
6 counsel to move this matter to a resolution as soon as possible, and to seek attorneys' fees for the
7 unnecessary expense caused by opposing counsel's ongoing violations of the Court's injunction. This
8 matter is ongoing as of this Seventh Status Report.

9 **C. Records**

10 The Receiver has made efforts to secure Spirit's electronic records from third parties, being that
11 Spirit had no office space or employees of its own and very few physical files. The Receiver will
12 continue with the evaluation of the Company and will continue gathering the Company's records and
13 data. This process will remain ongoing as the Receiver continues to identify parties that may have
14 information or records that will assist in carrying out the liquidation of Spirit. The recovery of Spirit's
15 complete records from third parties remains incomplete.

16 The receivership has received a number of records requests for documents and information since
17 the outset of the receivership. Responding to such requests can be very costly for the estate as
18 considerable time and resources must be dedicated to providing a proper response—including a full
19 search of the Spirit records, and an analysis of privacy and privilege matters (the Receiver will not
20 disclose any records that are deemed confidential to the receivership). It was necessary to establish a
21 streamlined procedure to conserve costs and estate resources for the benefit of all creditors of the estate.
22 The Receiver therefore requires that all requests for Spirit documents and/or information must be made
23 by serving a subpoena upon Spirit via its commercial registered agent, CSC. The Receiver has provided
24 the contact information for CSC to inquiring parties. The Receiver will evaluate subpoenas received
25 from CSC and will send a response in writing to the inquiring party regarding the receivership's ability
26 to provide the requested information, the anticipated timeframe for response, and the associated fee. The
27 Receiver has determined that a non-refundable \$200 fee is appropriate for responding to basic policy
28 document requests, and that a non-refundable \$1,000 fee should be assessed for any request for claim

1 records or any other request that may take substantial time and resources to fulfill. These fees were
2 established based on conservative and fair estimates of the time needed to prepare such responses and
3 based on the hourly rates of receivership staff. The Receiver reserves the right to increase these fees for
4 any request that is overly broad or that necessitates a review of voluminous document(s). Once the fee
5 is received from the inquiring party, and not before, the receivership staff will begin working to prepare
6 the responsive material.

7 **D. Asset Recovery Litigation**

8 On February 6, 2020, the Receiver filed an asset recovery lawsuit against a number of parties,
9 including Thomas Mulligan, CTC, Criterion, Spirit's former directors and officers, various other former
10 vendors of Spirit, and various other related persons and entities ("Asset Recovery Lawsuit"). The Asset
11 Recovery Lawsuit was filed in the Eighth Judicial District Court of Clark County, Nevada and assigned
12 Case No. A-20-809963-B. Excerpts from the Asset Recovery Lawsuit is included below to illustrate the
13 nature of the Receiver's complaint are as follows:

- 14 1. This complaint arises out of a vast fraudulent enterprise orchestrated by Defendant
15 Thomas Mulligan and others, by which the Defendants operated a multitude of
16 interrelated companies in the insurance service industry for their own benefit and to
17 the detriment of their customers and insureds, including Spirit.
- 18 2. Through a web of interrelated companies that wrote insurance policies, provided so-
19 called financing for insureds wishing to purchase insurance, processed insurance
20 premiums, and/or adjusted and paid insurance claims, and collected Spirit's assets
21 (the "Mulligan Enterprise"), Mulligan and his confederates siphoned millions of
22 dollars from Spirit.
- 23 3. While Mulligan was the primary architect of his Enterprise, Defendant Pavel
24 Kapelnikov participated heavily in the design and implementation of the scheme and
25 assisted with perpetuating the fraud through his ownership and control of Mulligan
26 Enterprise entities, including a key Spirit services provider, which breached its
27 obligations to Spirit. Mulligan and Pavel Kapelnikov used the many moving pieces
28 of the Mulligan Enterprise to ensure that the entities they owned and controlled

1 enjoyed preferential treatment as creditors by hiding the true and dismal financial
2 condition of Spirit to prolong its operations while they continued to arrogate funds
3 to themselves with a corresponding detriment to Spirit, its policy holders, and its
4 other non-insider creditors.

- 5 4. As a result of this scheme, Spirit – an insurance company that insured trucking
6 companies – became financially insolvent and was placed into permanent
7 receivership and subsequently into liquidation, leaving hundreds of unpaid claims
8 and a host of creditors. This complaint seeks to recover, on behalf of Spirit and those
9 affected, the tens of millions of dollars that are owed to Spirit from its principal
10 Mulligan and his cohorts and/or the companies over which he exercised interest
11 and/or control, including companies that were contracted to provide services to Spirit
12 that absconded with virtually all of Spirit’s assets and third-party companies to which
13 Spirit’s funds were siphoned.

14 On March 27, 2020, an answer was filed on behalf of certain Defendants, along with a demand
15 for jury trial: Pavel Kapelnikov, Chelsea Financial Group, Inc.,⁵ Global Forwarding Enterprises, LLC,
16 Kapa Management Consulting, Inc., and Kapa Ventures, Inc. The following Defendants have also filed
17 answers to the suit: Brenda Guffey, ICAP Management Solutions, LLC, Daniel George, Lexicon
18 Insurance Management, LLC, James Marx, Igor and Yanina Kapelnikov (along with a demand for jury
19 trial), and Carlos and Virginia Torres. A default judgment was entered on April 24, 2020, against Global
20 Capital Group, LLC, after no answer or other appearance was filed. A three-day Notice of Intent to Take
21 Default Upon Defendant John S. Maloney was filed on May 1, 2020. On May 13, 2020, Defendant John
22 Maloney filed an Answer. On May 14, 2020, an Answer was filed by Defendant Thomas Mulligan.
23 Also, on May 14, 2020, an Answer was filed by Six Eleven, LLC, Quote My Rig, LLC, New Tech
24 Capital, LLC, 195 Gluten Free, LLC, 10-4 Preferred Risk Managers, LLC, Ironjab, LLC, Fourgorean
25 Capital, LLC, and Chelsea Holding Company, LLC. On May 21, 2020, a default judgment was entered
26 against Chelsea Holdings, LLC and Chelsea Financial Group, Inc. However, on June 4, 2020, a

27
28 ⁵ Both the California and New Jersey corporations.

1 Stipulation and Order was entered to set aside the default judgment against Chelsea Financial Group,
2 Inc. On June 10, 2020, Chelsea Financial Group, Inc. filed its answer to the Complaint. On August 24,
3 2020, Matthew Simon filed an Answer. On August 26, 2020, Scott McCrae filed an Answer.

4 On April 28, 2020, a Stipulation and Order Regarding New Tech Capital, LLC's Investment in
5 Iterative Capital Management, L.P. (the "Stipulation") was entered by the Court. On January 8, 2018,
6 Spirit transferred \$500,000 to New Tech Capital, LLC ("New Tech"). On January 9, 2018, New Tech
7 transferred \$500,000 to Iterative Capital, L.P. (the "Iterative Capital"). Upon information and belief, as
8 of the Receiver's Fifth Status Report, the original \$500,000 investment had a net asset liquidation value
9 of \$113,758.73. Pursuant to the stipulation, Iterative Capital liquidated the investment and wired the
10 funds to New Tech, and the net amount finally returned to Spirit by New Tech was \$110,378.68.⁶ New
11 Tech is one of the above-mentioned related entities of Mulligan, and it remains a named defendant in
12 the asset recovery lawsuit.⁷ The Stipulation preserves the Receiver's rights to seek further recoveries
13 from New Tech.

14 On May 14, 2020, CTC⁸ and Criterion Claim Solutions of Omaha, Inc. each filed Motions to
15 Compel Arbitration of the claims asserted by the Receiver in her asset recovery lawsuit. On June 4,
16 2020, the Receiver filed her Oppositions to Criterion's and to the CTC Defendants' Motions to Compel
17 Arbitration. On June 11, 2020, CTC and Criterion Claim Solutions of Omaha, Inc. each filed a Reply in
18 Support of their Motion to Compel Arbitration.

19 On May 14, 2020, Defendants Scott McCrae and Matthew Simon filed a Motion to Dismiss the
20 Complaint. On June 4, 2020, the Receiver filed her Opposition to Defendants Scott McCrae and
21 Matthew Simon, Jr.'s Motion to Dismiss. On June 11, 2020, Defendants Scott McCrae and Matthew
22

23 ⁶ Upon information and belief, additional funds were held back for taxes and expenses and if not used, New Tech's
24 pro rata share will be returned. The Receiver has not agreed to this approach for the return of funds. The Receiver has
25 requested written confirmation from Iterative Capital explaining this as well as confirmation that any additional funds
returned to New Tech will be sent to the Receiver for Spirit. Litigation continues by the Receiver against New Tech.

26 ⁷ The Receiver has determined and alleged in the Asset Recovery Action that \$500,000 of Spirit's money was
27 siphoned from the insurance company and paid to New Tech for the sole benefit of Mulligan and Pavel Kapelnikov, and not
Spirit. As noted above, a substantial portion of this \$500,000 amount was lost by Mulligan and Kapelnikov through a high-
risk crypto currency investment that was made for their sole benefit, leading to ravage losses and a paltry remaining balance.

28 ⁸ Here, "CTC" refers to Defendants CTC Transportation Insurance Services of Missouri, LLC; CTC Transportation
Insurance Services LLC; and CTC Transportation Insurance Services of Hawaii LLC's.

1 Simon filed a Reply in Support of their Motion to Dismiss Plaintiff's Complaint. A hearing of the above
2 matters (*i.e.*, the motions to compel arbitration and to dismiss) was initially set for June 18, 2020.

3 On June 15, 2020, a Minute Order was issued by Judge Mark R. Denton ruling that due to the
4 ongoing Coronavirus situation, the June 18, 2020, hearing was deemed submitted on the briefs and under
5 advisement, and the hearing was vacated from the calendar. On July 6, 2020, Judge Denton granted
6 Criterion's Motion to Compel Arbitration, and ruled that it would dismiss the action without prejudice.
7 However, the Court was not persuaded by Criterion's contention that the Receiver's positions are
8 frivolous, and it thus denied Defendant's request for attorneys' fees. The Order was entered on July 22,
9 2020. On August 5, 2020, the Receiver filed her Motion for Reconsideration of the Court's July 22,
10 2020, Order Regarding Criterion Claim Solutions of Omaha Inc.'s Motion to Compel Arbitration;
11 Criterion filed its Opposition to the Receiver's Motion on August 19, 2020. A hearing was set for
12 September 8, 2020. On September 29, 2020, the Court denied the Receiver's Motion for
13 Reconsideration of the Court's July 22, 2020, Order Regarding Criterion Claim Solutions of Omaha
14 Inc.'s Motion to Compel Arbitration. The Receiver plans on filing a writ petition in the Nevada Supreme
15 Court.

16 On July 6, 2020, Judge Denton also granted the CTC Defendants' Motion to Compel Arbitration
17 – the Order was entered July 17, 2020. Finally, on July 6, 2020, the Court granted in part and denied in
18 part Defendants Scott McCrae and Matthew Simon, Jr.'s Motion to Dismiss. The order was entered on
19 August 10, 2020. On July 30, 2020, the Receiver filed a Motion for Reconsideration and/or Clarification
20 of the Court's July 17, 2020, Order Regarding CTC Defendants' Motion to Compel Arbitration. On
21 August 13, 2020, the CTC Defendants filed their Opposition to the Receiver's Motion for
22 Reconsideration. On August 24, 2020, the Receiver filed her Reply in Support of the Motion for
23 Reconsideration and/or Clarification of the Court's July 17, 2020, Order. A hearing of the Receiver's
24 Motion for Reconsideration was set for August 31, 2020, but was vacated and deemed submitted on the
25 briefs and under advisement. On September 16, 2020, the Court denied the Receiver's Motion for
26 Reconsideration and/or Clarification of the Court's July 17, 2020, Order Regarding CTC Defendants'
27 Motion to Compel Arbitration. The Receiver plans on filing a writ petition in the Nevada Supreme
28 Court.

On August 24, 2020, nine of the defendants⁹ filed a Motion to Stay Pending Arbitration. Thereafter, nineteen additional defendants filed joinders to the Motion to Stay.¹⁰ On September 11, 2020, the Receiver filed an opposition to the Motion to Stay and joinders thereto. A hearing was held on the Motion to Stay & Opposition thereto via videoconference on September 28, 2020. On October 2, 2020, the Court granted the Motion to Stay Pending Arbitration and the Joinders thereto, “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.” It is expected that a written order regarding the same will be filed shortly and the Receiver is evaluating options on how best to proceed.

The Receiver will keep the Court apprised of developments in this proceeding.

E. Receivership Assets and Liabilities

The Receiver has been gathering information and evaluating the assets and liabilities of Spirit. A further preliminary liability analysis will be determined after TRISTAR further evaluates claims and an actuary prepares an updated estimate of Spirit’s liabilities. Below is an overview of some key assets and liability matters thus far identified by the Receiver.

1. CTC owes a large balance to Spirit that is at least more than \$40 million and may be much greater after further discovery. The Receiver filed the Asset Recovery Lawsuit seeking the return of this money *inter alia* as detailed above.
2. The cash assets of the Company were approximately as follows as of September 30, 2020:
 - a. Cash Accounts: \$147,375.05

⁹ 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 Holdings Company, LLC (“Chelsea Holdings”), and Chelsea Financial Group, Inc. (MO) (“Chelsea Financial MO”) (collectively, “Six Eleven Defendants”).

¹⁰ Brenda Guffey filed a joinder on September 2, 2020. James Marx, John Maloney, Virginia Torres, and Carlos Torres (Marx, Maloney, V. Torres, and C. Torres will be referred to collectively herein as the “Spirit Director Defendants”) also filed a joinder on September 2, 2020. On September 3, 2020, Defendants Pavel Kapelnikov, Chelsea Financial Group, Inc. (New Jersey) (“Chelsea Financial New Jersey”), Chelsea Financial Group, Inc. (California) (“Chelsea Financial California”), Global Forwarding Group, Inc. (“Global Forwarding”), Kapa Management Consulting, Inc. (“Kapa Management”), Kapa Ventures Inc. (“Kapa Ventures”), Igor Kapelnikov, and Yanina Kapelnikov (collectively “Kapelnikov Group”) filed a joinder. Thomas Mulligan also filed a joinder on September 3, 2020. Additionally, on September 3, 2020, Defendants Lexicon Insurance Management LLC (“Lexicon”), ICAP Management Solutions, LLC (“ICAP”) and Daniel George (“George”) collectively (“Lexicon/George Group”) filed a joinder. Matthew Simon Jr. and Scott McCrae also filed a joinder on September 4, 2020.

b. Investments, held at Fidelity, fair market value of \$43,188,200.43.

3. Gross Loss and Loss Adjustment Expense and General Liability Losses: The gross loss and loss adjustment amounts will be further evaluated and projected by outside actuaries for Spirit.

4. Other Assets: There is no known tangible personal property or real property owned by the Company.

We are enclosing the consultants and Special Deputy Receiver bill payments since the last status report filed with the Court. Detailed billings are submitted *in camera*, and summaries of such bills are submitted as Exhibit 2 to this report.¹¹ The Receiver is including, as Exhibit 3 attached hereto, a report for September 2020 reflecting the account balances and the cash receipts and disbursements for Spirit.

¹¹ The *in-camera* materials are being submitted in a separate envelope that reflect paid invoices. Certain billings submitted to the Court are appropriate for *in camera* review (as opposed to being made part of a public filing). More particularly, and as discussed in further detail below, certain consultants in this matter will provide expert witness related services. As such, the billing entries relating thereto should be considered confidential and/or otherwise not subject to discovery.

In this regard, courts have held that the bills of legal counsel and experts may be withheld from legal discovery and are not subject to legal disclosure, as this information may provide indications or context concerning potential litigation strategy and the nature of the expert services being provided. *See, e.g., Avnet, Inc. v. Avana Technologies Inc.*, No. 2:13-cv-00929- GMN-PAL, 2014 WL 6882345, at *1 (D. Nev. Dec. 4, 2014) (finding that billing entries were privileged because they reveal a party's strategy and the nature of services provided); *Fed. Sav. & Loan Ins. Corp. v. Ferm*, 909 F.2d 372, 374-75 (9th Cir. 1990) (considering whether or not fee information revealed counsel's mental impressions concerning litigation strategy). Other courts that have addressed this issue have recognized that the "attorney-client privilege embraces attorney time, records and statements to the extent that they reveal litigation strategy and the nature of the services provided." *Real v. Cont'l Grp., Inc.*, 116 F.R.D. 211, 213 (N.D. Cal. 1986).

The *in-camera* review should apply not only to documentation concerning attorney fees, but it also extends to "details of work revealed in [an] expert's work description [which] would relate to tasks for which she [or he] was compensated[.]" a situation which is "analogous to protecting attorney-client privileged information contained in counsel's bills describing work performed." *See DaVita Healthcare Partners, Inc. v. United States*, 128 Fed. Cl. 584, 592-93 (2016); *see also Chaudhry v. Gallerizzo*, 174 F.3d 394, 402 (4th Cir. 1999) (recognizing that "correspondence, bills, ledgers, statements, and time records which also reveal the motive of the client in seeking representation, litigation strategy, or the specific nature of the services provided, such as researching particular areas of law," are protected from disclosure) (quoting *Clarke v. Am. Commerce Nat'l Bank*, 974 F.2d 127, 129 (9th Cir. 1992)).

III.

CONCLUSION

In compliance with this Court's instructions for a status report regarding the affairs of the Company, the Receiver has submitted the aforementioned status report and requests that the Court approve this Seventh Status Report and the actions taken by the Receiver.

DATED this 28th day of October 2020.

Respectfully submitted:

Barbara D. Richardson, Commissioner of Insurance of the State of Nevada, in her Official Capacity as Statutory Receiver of Delinquent Domestic Insurer

By: /s/ CANTILO & BENNETT, L.L.P.
Special Deputy Receiver
By Its Authorized Representative
Mark F. Bennett

MARK E. FERRARIO, ESQ. (SB# 1625)
KARA HENDRICKS, ESQ. (SB# 7743)
TAMI D. COWDEN, ESQ. (SB# 8994)
GREENBERG TRAURIG, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, Nevada 89135

*Counsel for Barbara D. Richardson,
Commissioner of Insurance,
as the Permanent Receiver for Spirit
Commercial Auto Risk Retention Group, Inc.*

CERTIFICATE OF SERVICE

Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8.05, I certify that on this 28th day of October 2020, I caused a true and correct copy of the foregoing *Seventh Status Report* to be e-filed and e-served on the upon the parties all parties registered for e-service. The date and time of the electronic proof of service is in place of the date and place of deposit in the mail.

/s/ Andrea Lee Rosehill

An employee of Greenberg Traurig, LLP

EXHIBIT “1”

Court Authorized Notice
IMPORTANT LEGAL NOTICE
REGARDING SPIRIT
COMMERCIAL AUTO RISK
RETENTION GROUP, INC., IN
RECEIVERSHIP FOR
LIQUIDATION ("SPIRIT")

TO: Policyholders, Insureds,
Creditors, and Other Persons
Interested in the Affairs of Spirit

Please read the back of this
postcard for important
information that could affect your
rights.

By order of the Nevada Eighth
Judicial District Court, on
September 30, 2020.

SPIRIT COMMERCIAL AUTO RISK
RETENTION GROUP, INC., IN
RECEIVERSHIP FOR LIQUIDATION
300 11TH AVE E
SARTELL, MN 56377

Presorted
First Class Mail
U.S. POSTAGE
PAID
MCS

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SARTELL, MN 56377

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First Class Mail
U.S. POSTAGE
PAID
MCS

Spirit Commercial Auto Risk Retention Group, in Receivership for Liquidation ("Spirit")

IMPORTANT NOTICE:

THE SPIRIT CLAIMS FILING DEADLINE HAS BEEN EXTENDED TO MAY 31, 2021

Spirit is in receivership for liquidation by order of the Eighth Judicial District Court of the State of Nevada. Barbara D. Richardson, the Nevada Commissioner of Insurance, is the Receiver of Spirit and Cantillo & Bennett, L.L.P., is the appointed Special Deputy Receiver ("SDR") of Spirit.

All claims against Spirit will be handled as claims against the Spirit receivership estate, and all proceedings are governed by applicable Nevada law. All claims must be submitted to the SDR on the approved Proof of Claim ("POC") Form. Late-filed POCs will be barred from sharing in any distribution of Spirit's assets. In order for a POC to be considered timely filed, it must be postmarked or delivered to the SDR on or before **May 31, 2021**. In addition to being timely filed, claims must also be non-contingent and liquidated in amount by the Claims Filing Deadline (*i.e.*, May 31, 2021) to share in any distribution of Spirit's assets. Claims that remain contingent and/or unliquidated after May 31, 2021, will also be barred (subject to any exceptions found in NRS 696B.450, which will be in the Receiver's sole discretion to determine).

If you have not already done so, please read, and follow the instructions within, the Receivership Claims and Appeals Procedure to submit your POC form to the SDR. These materials, along with FAQs and other important receivership documents, are available for download at www.spiritinsure.com. You may wish to check the site on an ongoing basis to stay informed. You may request print copies of the POC Form and the Receivership Claims and Appeals Procedure by calling (512) 478-6000, or by writing to Cantillo and Bennett, L.L.P., Attention: Spirit SDR, P.O. Box 184, Austin, Texas 78767. You are responsible for keeping the SDR apprised of any change in your address, to assure your receipt of any mailed notices or correspondence. **If you have already filed a POC, please disregard this notice.**

www.SpiritInsure.com

(833) 242-6823

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(833) 242-6823

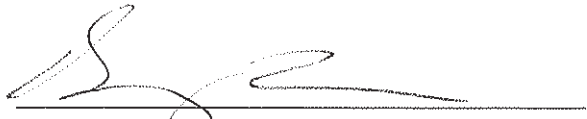
CERTIFICATE OF MAILING

STATE OF MINNESOTA

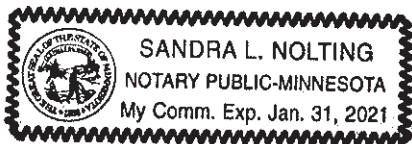
COUNTY OF BENTON

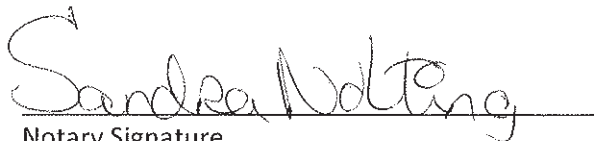
This Affidavit of Mailing certifies that the Job Log ID number described below was presented to
Bradley Kremer & Toppan Merrill and were accepted as being in good order.

Company Name: Spirit Commercial
Job Log ID #: 0338687
Description: Spirit Commercial Auto Mailing
Mailing Date: 10/14/2020
Class of Mail: First Class Comingle
Pieces Total: 12,841


Bradley Kremer
Print Production Service

Subscribed and sworn before in Sartell, MN on the 20th day of October
2020.




Notary Signature

My commission expires Jan 31 2021.

EXHIBIT “2”

CANTILO & BENNETT, L.L.P.

ATTORNEYS & COUNSELORS

A Texas Registered Limited Liability Partnership

Comprised of Professional Corporations

11401 Century Oaks Terrace

Suite 300

Austin, Texas 78758

www.cb-firm.com

Telephone: (512) 478-6000

Facsimile: (512) 404-6550

June 30, 2020

BILL SUMMARY

70731 Spirit Commercial Auto Risk Retention Group

May 1 - May 31, 2020

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
70731	24612- 24616	\$81,202.50	\$970.96	\$82,173.46
Totals (1)		\$81,202.50	\$970.96	\$82,173.46

RA000244

Cantilo & Bennett, L.L.P.

SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP TIMEKEEPER SUMMARY REPORT 5/1/20 - 5/31/20

		Billable Hours	Billable Rate	May 2020
1	Timekeeper - Patrick H. Cantilo		\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	40.80	\$400.00	\$16,320.00
3	Timekeeper - Kristen W. Johnson	58.90	\$300.00	\$17,670.00
4	Timekeeper - Josh O. Lively	132.25	\$200.00	\$26,450.00
5	Timekeeper - Douglas J. Coonfield	10.60	\$200.00	\$2,120.00
6	Timekeeper - Jose M. Rangel		\$350.00	\$0.00
7	Timekeeper - Arati Bhattacharya		\$300.00	\$0.00
8	Timekeeper - Law Clerks		\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	106.60	\$125.00	\$13,325.00
10	TimeKeeper - Pierre Riou		\$300.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	8.30	\$125.00	\$1,037.50
	GRAND TOTAL	357.45		\$76,922.50

Audited (not previously billed)

10.70 \$400.00 \$4,280.00

1/10/20 MFB .75

GRAND TOTAL \$81,202.50

3/30/20 MFB 2.00

3/31/20 MFB 1.95

4/1/20 MFB 1.50

4/2/20 MFB 2.00

4/3/20 MFB 2.45

Client and Matter

70731 Spirit Commercial Auto Risk Retention Group
70731003 Spirit - Claims

Date

Inv No

Fees

Costs

Credits

Total

05/31/20

24614

19,437.50

0.00

0.00

19,437.50

70731008 Spirit-Administrative

05/31/20

24615

24,722.50

0.00

0.00

24,722.50

70731100 Spirit-Asset Recovery

05/31/20

24616

37,042.50

0.00

0.00

37,042.50

Totals (3)

81,202.50

0.00

0.00

81,202.50

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	05/31/20	24612	0.00	126.65	0.00	126.65
70731008 Spirit-Administrative	05/31/20	24613	0.00	844.31	0.00	844.31
Totals (2)			0.00	970.96	0.00	970.96

CANTILO & BENNETT, L.L.P.

ATTORNEYS & COUNSELORS
*A Texas Registered Limited Liability Partnership
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11401 Century Oaks Terrace
Suite 300

Telephone: (512) 478-6000

Austin, Texas 78758
www.cb-firm.com

Facsimile: (512) 404-6550

July 23, 2020

BILL SUMMARY

70731 Spirit Commercial Auto Risk Retention Group

June 1 - June 30, 2020

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
70731	24665- 24667 24678- 24679	\$93,815.00	\$198.97	\$94,013.97
Totals (1)		\$93,815.00	\$198.97	\$94,013.97

RA000248

Cantilo & Bennett, L.L.P.

**SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP
TIMEKEEPER SUMMARY REPORT
6/1/20 - 6/30/20**

		Billable Hours	Billable Rate	June 2020
1	Timekeeper - Patrick H. Cantilo		\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	50.40	\$400.00	\$20,160.00
3	Timekeeper - Kristen W. Johnson	77.60	\$300.00	\$23,280.00
4	Timekeeper - Josh O. Lively	175.50	\$200.00	\$35,100.00
5	Timekeeper - Douglas J. Coonfield	16.50	\$200.00	\$3,300.00
6	Timekeeper - Jose M. Rangel		\$350.00	\$0.00
7	Timekeeper - Arati Bhattacharya		\$300.00	\$0.00
8	Timekeeper - Law Clerks		\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	91.20	\$125.00	\$11,400.00
10	TimeKeeper - Pierre Riou		\$300.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	4.60	\$125.00	\$575.00
	GRAND TOTAL	415.80		\$93,815.00

July 21, 2020
1:47 pm

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	06/30/20	24678	23,207.50	0.00	0.00	23,207.50
70731008 Spirit-Administrative	06/30/20	24679	22,217.50	0.00	0.00	22,217.50
70731100 Spirit-Asset Recovery	06/30/20	24667	48,390.00	0.00	0.00	48,390.00
Totals (3)			93,815.00	0.00	0.00	93,815.00

RA000250

CANTILO & BENNETT, L.L.P.

ATTORNEYS & COUNSELORS
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11401 Century Oaks Terrace
Suite 300

Telephone: (512) 478-6000

Austin, Texas 78758
www.cb-firm.com

Facsimile: (512) 404-6550

August 20, 2020

BILL SUMMARY

70731 Spirit Commercial Auto Risk Retention Group

July 1 - July 31, 2020

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
70731	24760- 24765	\$77,665.00	\$1,612.74	\$79,277.74
Totals (1)		\$77,665.00	\$1,612.74	\$79,277.74

RA000251

Cantilo & Bennett, L.L.P.

**SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP
TIMEKEEPER SUMMARY REPORT
7/1/20 - 7/31/20/20**

		Billable Hours	Billable Rate	July 2020
1	Timekeeper - Patrick H. Cantilo		\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	47.30	\$400.00	\$18,920.00
3	Timekeeper - Kristen W. Johnson	42.40	\$300.00	\$12,720.00
4	Timekeeper - Josh O. Lively	103.50	\$200.00	\$20,700.00
5	Timekeeper - Douglas J. Coonfield	38.50	\$200.00	\$7,700.00
6	Timekeeper - Jose M. Rangel		\$350.00	\$0.00
7	Timekeeper - Arati Bhattacharya		\$300.00	\$0.00
8	Timekeeper - Law Clerks		\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	137.50	\$125.00	\$17,187.50
10	TimeKeeper - Pierre Riou		\$300.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	3.50	\$125.00	\$437.50
	GRAND TOTAL	372.70		\$77,665.00

August 18, 2020
12:37 pm

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	07/31/20	24760	0.00	459.61	0.00	459.61
70731008 Spirit-Administrative	07/31/20	24761	0.00	30.47	0.00	30.47
70731100 Spirit-Asset Recovery	07/31/20	24762	0.00	1,122.66	0.00	1,122.66
Totals (3)			0.00	1,612.74	0.00	1,612.74

RA000253

CANTILO & BENNETT, L.L.P.

ATTORNEYS & COUNSELORS

*A Texas Registered Limited Liability Partnership
Comprised of Professional Corporations*

11401 Century Oaks Terrace
Suite 300

Telephone: (512) 478-6000

Austin, Texas 78758

www.cb-firm.com

Facsimile: (512) 404-6550

October 1, 2020

BILL SUMMARY

70731 Spirit Commercial Auto Risk Retention Group

August 1 - August 31, 2020

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
70731	24832, 24791- 24793	\$87,148.75	\$ 530.53	\$87,679.28
Totals (1)		\$87,148.75	\$ 530.53	\$87,679.28

RA000254

Cantilo & Bennett, L.L.P.

**SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP
TIMEKEEPER SUMMARY REPORT
8/1/20 - 8/31/20**

		Billable Hours	Billable Rate	July 2020
1	Timekeeper - Patrick H. Cantilo		\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	74.50	\$400.00	\$29,800.00
3	Timekeeper - Kristen W. Johnson	64.50	\$300.00	\$19,350.00
4	Timekeeper - Josh O. Lively	51.25	\$200.00	\$10,250.00
5	Timekeeper - Douglas J. Coonfield	15.40	\$200.00	\$3,080.00
6	Timekeeper - Jose M. Rangel		\$350.00	\$0.00
7	Timekeeper - Arati Bhattacharya		\$300.00	\$0.00
8	Timekeeper - Law Clerks	3.50	\$85.00	\$297.50
9	Timekeeper - Isaiah Samaniego	136.75	\$125.00	\$17,093.75
10	TimeKeeper - Pierre Riou		\$300.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	8.30	\$125.00	\$1,037.50
	GRAND TOTAL	354.20		\$80,908.75

Unbilled July 2020 time

DRC 7/27/20	4.10	\$200.00	\$820.00
DRC 7/28/20	6.70	\$200.00	\$1,340.00
DRC 7/29/20	5.50	\$200.00	\$1,100.00
DRC 7/30/20	7.70	\$200.00	\$1,540.00
DRC 7/31/20	7.20	\$200.00	\$1,440.00
TOTAL			\$6,240.00

TOTAL THIS INVOICE **\$87,148.75**

September 22, 2020
10:10 am

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	08/31/20	24832	31,017.50	0.00	0.00	31,017.50
70731008 Spirit-Administrative	08/31/20	24792	35,961.25	0.00	0.00	35,961.25
70731100 Spirit-Asset Recovery	08/31/20	24793	20,170.00	0.00	0.00	20,170.00
Totals (3)			87,148.75	0.00	0.00	87,148.75

RA000256

September 22, 2020
10:09 am

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	08/31/20	24791	0.00	530.53	0.00	530.53
Totals (1)			0.00	530.53	0.00	530.53

RA000257

11401 Century Oaks Terrace
Suite 310
Austin, Texas 78758



PALOMAR FINANCIAL, LC

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www.palomarfin.com

July 17, 2020

BILL SUMMARY

70731 Spirit Commercial Auto RRG, Inc. ("Spirit")

June 1, 2020 – June 30, 2020

Matter No. and Description	Fees	Costs	Total
June 2020 Non-IT Services	\$4,358.75	\$0.00	\$4,358.75
June 2020 IT Services Flat Fee	2,000.00	0.00	2,000.00
Totals (1)	\$6,358.75	\$0.00	\$6,358.75

RA000258

Palomar Financial, LC
SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD JUNE 2020

		Billable Hours	Billable Rate	June 2020 Billing
1	TIME KEEPER - Nicole Wilkins	8.35	\$250.00	\$2,087.50
2	TIME KEEPER - Robert Stebel	7.95	\$175.00	\$1,391.25
3	TIME KEEPER - Kelly Reed	2.25	\$160.00	\$360.00
4	TIME KEEPER - Neda Khalaf	0.00	\$175.00	\$0.00
5	TIME KEEPER - Brent Andrews	0.00	\$175.00	\$0.00
6	TIME KEEPER - Mary Noel	3.25	\$160.00	\$520.00
	GRAND TOTAL	21.80		\$4,358.75

Palomar Financial, LC
05/01/2020-05/31/2020
Client: Spirit Commercial Auto Risk Retention Group, Inc. ("SPIRIT")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	2.55	\$ 637.50
		General Ledger Accounting	0.20	\$ 50.00
		Investment Accounting/Support	0.40	\$ 100.00
		Accounts Payable and Receivable	2.30	\$ 575.00
		Bank Account Administration/Reconciliation	2.20	\$ 550.00
		1099 Reports and Administration	0.20	\$ 50.00
		Taxes and Tax Planning	0.50	\$ 125.00
		Sub Total (NMW)	8.35	\$ 2,087.50
RNS	Robert Stebel	Receivership Administration	1.95	\$ 341.25
		Taxes & Tax Planning	5.45	\$ 953.75
		Actuarial Matters	0.55	\$ 96.25
		Sub Total (RNS)	7.95	\$ 1,391.25
KJR	Kelly Reed	Accounts Payable and Receivable	0.50	\$ 80.00
		1099 Reports and Administration	1.75	\$ 280.00
		Sub Total (KJR)	2.25	\$ 360.00
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	0.00	\$ -
		Sub Total (NK)	0.00	\$ -
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Accounts Payable and Receivable	2.75	\$ 440.00
		Investment Accounting/Support	0.50	\$ 80.00
		Sub Total (MFN)	3.25	\$ 520.00
Grand Total			21.80	\$ 4,358.75

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Austin, Texas 78758



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August 17, 2020

BILL SUMMARY

70731 Spirit Commercial Auto RRG, Inc. ("Spirit")

July 1, 2020 – July 31, 2020

Matter No. and Description	Fees	Costs	Total
July 2020 Non-IT Services	\$7,775.00	\$0.00	\$7,775.00
July 2020 IT Services Flat Fee	2,000.00	0.00	2,000.00
Totals (1)	\$9,775.00	\$0.00	\$9,775.00

RA000261

Palomar Financial, LC

SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.

PRIVILEGED AND CONFIDENTIAL

SUMMARY REPORT

PERIOD JULY 2020

		Billable Hours	Billable Rate	July 2020 Billing
1	TIME KEEPER - Nicole Wilkins	7.15	\$250.00	\$1,787.50
2	TIME KEEPER - Robert Stebel	12.50	\$175.00	\$2,187.50
3	TIME KEEPER - Kelly Reed	1.00	\$160.00	\$160.00
4	TIME KEEPER - Neda Khalaf	0.00	\$175.00	\$0.00
5	TIME KEEPER - Brent Andrews	0.00	\$175.00	\$0.00
6	TIME KEEPER - Mary Noel	22.75	\$160.00	\$3,640.00
	GRAND TOTAL	43.40		\$7,775.00

Palomar Financial, LC
07/01/2020-07/31/2020
Client: Spirit Commercial Auto Risk Retention Group, Inc. ("SPIRIT")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	3.00	\$ 750.00
		Investment Accounting/Support	0.70	\$ 175.00
		Accounts Payable and Receivable	2.05	\$ 512.50
		Bank Account Administration/Reconciliation	0.45	\$ 112.50
		Taxes and Tax Planning	0.95	\$ 237.50
		Sub Total (NMW)	7.15	\$ 1,787.50
RNS	Robert Stebel	Receivership Administration	2.55	\$ 446.25
		Taxes & Tax Planning	9.95	\$ 1,741.25
		Sub Total (RNS)	12.50	\$ 2,187.50
KJR	Kelly Reed	1099 Reports and Administration	1.00	\$ 160.00
		Sub Total (KJR)	1.00	\$ 160.00
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	0.00	\$ -
		Sub Total (NK)	0.00	\$ -
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Accounts Payable and Receivable	3.25	\$ 520.00
		Investment Accounting/Support	0.25	\$ 40.00
		Bank Account Administration/Reconciliation	0.50	\$ 80.00
		Taxes and Tax Planning	18.75	\$ 3,000.00
		Sub Total (MFN)	22.75	\$ 3,640.00
Grand Total			43.40	\$ 7,775.00

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Austin, Texas 78758



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September 21, 2020

BILL SUMMARY

70731 Spirit Commercial Auto RRG, Inc. ("Spirit")

August 1, 2020 – August 31, 2020

Matter No. and Description	Fees	Costs	Total
August 2020 Non-IT Services	\$13,477.25	\$0.00	\$13,477.25
August 2020 IT Services Flat Fee	2,000.00	0.00	2,000.00
Totals (1)	\$15,477.25	\$0.00	\$15,477.25

RA000264

Palomar Financial, LC
SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD AUGUST 2020

		Billable Hours	Billable Rate	August 2020 Billing
1	TIME KEEPER - Nicole Wilkins	13.75	\$250.00	\$3,437.50
2	TIME KEEPER - Robert Stebel	15.45	\$175.00	\$2,703.75
3	TIME KEEPER - Kelly Reed	4.10	\$160.00	\$656.00
4	TIME KEEPER - Neda Khalaf	0.00	\$175.00	\$0.00
5	TIME KEEPER - Brent Andrews	0.00	\$175.00	\$0.00
6	TIME KEEPER - Mary Noel	41.75	\$160.00	\$6,680.00
	GRAND TOTAL	75.05		\$13,477.25

Palomar Financial, LC
08/01/2020-08/31/2020
Client: Spirit Commercial Auto Risk Retention Group, Inc. ("SPIRIT")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	9.05	\$ 2,262.50
		Investment Accounting/Support	0.60	\$ 150.00
		Accounts Payable and Receivable	1.25	\$ 312.50
		Bank Account Administration/Reconciliation	0.20	\$ 50.00
		Taxes and Tax Planning	2.65	\$ 662.50
		Sub Total (NMW)	13.75	\$ 3,437.50
RNS	Robert Stebel	Financial Statement Preparation/Planning	5.50	\$ 962.50
		Receivership Administration	2.20	\$ 385.00
		Reinsurance Administration	0.50	\$ 87.50
		Taxes & Tax Planning	6.95	\$ 1,216.25
		Claims Matters	0.30	\$ 52.50
		Sub Total (RNS)	15.45	\$ 2,703.75
KJR	Kelly Reed	Accounts Payable and Receivable	0.25	\$ 40.00
		Bank Account Administration/Reconciliation	1.25	\$ 200.00
		1099 Reports and Administration	2.60	\$ 416.00
		Sub Total (KJR)	4.10	\$ 656.00
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	0.00	\$ -
		Sub Total (NK)	0.00	\$ -
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Accounting Reports/Receivership Team Support	36.50	\$ 5,840.00
		Accounts Payable and Receivable	4.00	\$ 640.00
		Investment Accounting/Support	0.75	\$ 120.00
		Bank Account Administration/Reconciliation	0.50	\$ 80.00
		Sub Total (MFN)	41.75	\$ 6,680.00
Grand Total			75.05	\$ 13,477.25

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October 14, 2020

BILL SUMMARY

70731 Spirit Commercial Auto RRG, Inc. ("Spirit")

September 1, 2020 – September 30, 2020

Matter No. and Description	Fees	Costs	Total
September 2020 Non-IT Services	\$5,746.25	\$812.96	\$6,559.21
September 2020 IT Services Flat Fee	2,000.00	0.00	2,000.00
Totals (1)	\$7,746.25	\$812.96	\$8,559.21

RA000267

Palomar Financial, LC
SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD SEPTEMBER 2020

		Billable Hours	Billable Rate	September 2020 Billing
1	TIME KEEPER - Nicole Wilkins	8.90	\$250.00	\$2,225.00
2	TIME KEEPER - Robert Stebel	15.55	\$175.00	\$2,721.25
3	TIME KEEPER - Kelly Reed	0.00	\$160.00	\$0.00
4	TIME KEEPER - Neda Khalaf	0.00	\$175.00	\$0.00
5	TIME KEEPER - Brent Andrews	0.00	\$175.00	\$0.00
6	TIME KEEPER - Mary Noel	5.00	\$160.00	\$800.00
	GRAND TOTAL	29.45		\$5,746.25

Palomar Financial, LC
09/01/2020-09/30/2020
Client: Spirit Commercial Auto Risk Retention Group, Inc. ("SPIRIT")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	2.00	\$ 500.00
		Investment Accounting/Support	1.70	\$ 425.00
		Accounts Payable and Receivable	1.90	\$ 475.00
		Bank Account Administration/Reconciliation	0.25	\$ 62.50
		Taxes and Tax Planning	0.20	\$ 50.00
		Actuarial Matters	2.85	\$ 712.50
		Sub Total (NMW)	8.90	\$ 2,225.00
RNS	Robert Stebel	Financial Statement Preparation/Planning	3.50	\$ 612.50
		Receivership Administration	1.80	\$ 315.00
		Taxes & Tax Planning	5.80	\$ 1,015.00
		Actuarial Matters	4.45	\$ 778.75
		Sub Total (RNS)	15.55	\$ 2,721.25
KJR	Kelly Reed	Accounts Payable and Receivable	0.00	\$ -
		Sub Total (KJR)	0.00	\$ -
NK	Neda Khalaf	Accounts Payable and Receivable	0.00	\$ -
		Sub Total (NK)	0.00	\$ -
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Accounting Reports/Receivership Team Support	1.50	\$ 240.00
		Investment Accounting/Support	0.25	\$ 40.00
		Accounts Payable and Receivable	2.75	\$ 440.00
		Bank Account Administration/Reconciliation	0.50	\$ 80.00
		Sub Total (MFN)	5.00	\$ 800.00
Grand Total			29.45	\$ 5,746.25

Palomar Financial, LC
Costs by Type
09/01/2020-09/30/2020
Client: Spirit Commercial Auto Risk Retention Group, Inc. ("SPIRIT")

TCD	Type	Description	Total
BM1A	Business Meals	Takeover Administration	\$ -
PK1A	Parking	Takeover Administration	\$ -
TA1A	Travel-Airfare	Takeover Administration	\$ -
TH1A	Travel-Hotel	Takeover Administration	\$ -
MT1A	Miscellaneous	Miscellaneous, Quickbooks Enterprise, Gold Edition, Renewal Fee	<u>\$ 812.96</u>
	Grand Total		<u>\$ 812.96</u>



Invoice No.: 5450730
File No. : 183955.010100
Bill Date : August 11, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Spirit Commercial Receivership

Legal Services through July 31, 2020:

Total Fees: \$ 237.50

Total Current Invoice: \$ 237.50

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5450742
File No. : 183955.010400
Bill Date : August 11, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: CTC

Legal Services through July 31, 2020:

Total Fees: \$ 21,513.00

Expenses:

Service Company Charges

629.70

Total Expenses: \$ 629.70

Total Current Invoice: \$ 22,142.70

KBH:TKK
Tax ID: 13-3613083



Invoice No.: 5468065
File No. : 183955.010100
Bill Date : September 6, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Spirit Commercial Receivership

Legal Services through August 31, 2020:

Total Fees: \$ 9,987.50

Expenses:

Filing Fees

3.50

Total Expenses: \$ 3.50

Total Current Invoice: \$ 9,991.00

MEF:TKK

Tax ID: 13-3613083



Invoice No.: 5468061
File No. : 183955.010400
Bill Date : September 6, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: CTC

Legal Services through August 31, 2020:

Total Fees: \$ 22,207.00

Expenses:

Filing Fees	10.50
Other Charges	474.14
Service Company Charges	1,510.80

Total Expenses: \$ 1,995.44

Total Current Invoice: \$ 24,202.44

KBH:TKK
Tax ID: 13-3613083



Invoice No.: 5468062
File No. : 183955.010500
Bill Date : September 6, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: adv/ Tucker and Davis

Legal Services through August 31, 2020:

Total Fees: \$ 1,691.00

Expenses:

Filing Fees

31.35

Total Expenses: \$ 31.35

Total Current Invoice: \$ 1,722.35

KBH:TKK
Tax ID: 13-3613083



Invoice Remittance

Kara Hendricks
Greenberg Traurig, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135
Hendricksk@gtlaw.com
On behalf of: Spirit Commercial Auto Risk Retention Group

May 14, 2020
FTI Invoice No. 7547356
FTI Job No. 400181.0526
Terms UPON RECEIPT
Federal I.D. No. 52-1261113
Currency: USD

Re: Spirit Reinsurance

Current Invoice Period: Charges Posted through April 30, 2020

Amount Due This Period

Professional Services.....	\$54,930.50
Expenses	<u>\$0.00</u>
Total Amount Due	<u><u>\$54,930.50</u></u>



Invoice Remittance

Kara Hendricks
Greenberg Traurig, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135
Hendricksk@gtlaw.com
On behalf of: Spirit Commercial Auto Risk Retention Group

June 9, 2020
FTI Invoice No. 7549676
FTI Job No. 400181.0526
Terms UPON RECEIPT
Federal I.D. No. 52-1261113
Currency: USD

Re: Spirit Reinsurance

Current Invoice Period: Charges Posted through May 31, 2020

Amount Due This Period

Professional Services.....	\$25,537.00
Expenses	<u>\$0.00</u>
Amount Due this Period.....	\$25,537.00



Invoice Remittance

Kara Hendricks
Greenberg Traurig, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135
Hendricksk@gtlaw.com
On behalf of: Spirit Commercial Auto Risk Retention Group

July 7, 2020
FTI Invoice No. 7552065
FTI Job No. 400181.0526
Terms UPON RECEIPT
Federal I.D. No. 52-1261113
Currency: USD

Re: Spirit Reinsurance

Current Invoice Period: Charges Posted through June 30, 2020

Amount Due This Period

Professional Services.....	\$42,189.00
Expenses	<u>\$0.00</u>
Amount Due this Period.....	\$42,189.00



Invoice Remittance

Kara Hendricks
Greenberg Traurig, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135
Hendricksk@gtlaw.com
On behalf of: Spirit Commercial Auto Risk Retention

August 7, 2020
FTI Invoice No. 7555054
FTI Job No. 400181.0526
Terms UPON RECEIPT
Federal I.D. No. 52-1261113
Currency: USD

Re: Spirit Reinsurance

Current Invoice Period: Charges Posted through July 31, 2020

Amount Due This Period

Professional Services.....	\$25,441.50
Expenses	<u>\$0.00</u>
Amount Due this Period.....	\$25,441.50



P.O. Box 70087
Louisville, KY 40270-0087
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Facsimile (502) 581-1087
www.frostbrowntodd.com

Barbara Richardson
c/o Mark Bennett, Esq.
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Fed # 61-0722001
July 23, 2020
Bill # 210145723
Account # 0141877.0719175

RE: Defense in Receivership Action - Spirit RRG

For Professional Services Rendered Through June 30, 2020	\$1,443.00
--	------------

TOTAL THIS BILL:	\$1,443.00
-------------------------	-------------------



Invoice

1166 Avenue of the Americas
New York, NY 10036

Telephone: (212) 345-8900

Mark Bennett
Counsel
Cantilo & Bennett LLP
11401 Century Oaks Terrace, Suite 300
Austin TX 78758

Number 481010007033
Date 04-Jun-2020
Client CANT48

Remittance Copy

For actuarial consulting services provided to Spirit Commercial Auto Risk Retention Group, Inc. (Spirit) during May of 2020.

		Fees
Sub Total	\$	15,575.00
Total Amount Due	\$	15,575.00

Return this copy with your payment

Payable within 30 days from date of invoice.

or Remit with Check to:

Box 5160, GPO
NEW YORK NY
10087-5160

Please include invoice numbers on all remittances. Wire transfer remittance information should be emailed to goss.cashreceipts@mercerc.com.



Invoice

1166 Avenue of the Americas
New York, NY 10036

Telephone: (212) 345-8900

Mark Bennett
Counsel
Cantilo & Bennett LLP
11401 Century Oaks Terrace, Suite 300
Austin TX 78758

Number 481010007051
Date 14-Jul-2020
Client CANT48

Remittance Copy

For actuarial consulting services provided to Spirit Commercial Auto Risk Retention Group, Inc. (Spirit) during June of 2020.

		Fees
Sub Total	\$	4,700.00
Total Amount Due	\$	4,700.00

Return this copy with your payment

Payable within 30 days from date of invoice.

or Remit with Check to:

Box 5160, GPO
NEW YORK NY
10087-5160

Please include invoice numbers on all remittances. Wire transfer remittance information should be emailed to goss.cashreceipts@mercerc.com.



Invoice

1166 Avenue of the Americas
New York, NY 10036

Telephone: (212) 345-8900

Mark Bennett
Counsel
Cantilo & Bennett LLP
11401 Century Oaks Terrace, Suite 300
Austin TX 78758

Number 481010007077
Date 07-Aug-2020
Client CANT48

Remittance Copy

For actuarial consulting services provided to Spirit Commercial Auto Risk Retention Group, Inc. (Spirit) during July of 2020.

		Fees
Sub Total	\$	625.00
Total Amount Due	\$	625.00

Return this copy with your payment

Payable within 30 days from date of invoice.

or Remit with Check to:

Box 5160, GPO
NEW YORK NY
10087-5160

Please include invoice numbers on all remittances. Wire transfer remittance information should be emailed to goss.cashreceipts@mercerc.com.

INVOICE						
Fuller Law Group 4612 Ridge Oak Drive Austin, TX 78731						
DATE: 8/31/20						
SPIRIT COMM. AUTO RISK RETENTION GROUP						
INVOICE SUBMITTED TO:						
Special Deputy Receiver						
Cantilo & Bennett LLP						
11401 Century Oaks Terrace						
Austin TX 78758						
Team Member	Position	Billing Code	Description	Rate	Hours	Fee
Chris Fuller	Attorney 1	70731-003	Legal Services/Subcontractor	\$260	11.9	\$3,094.00
				Labor		\$3,094.00
				Expenses		
				Grand Total		\$3,094.00

EXHIBIT “3”

SPRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.

Cash Flow Analysis

March 2019 - September 2020

Sources & Uses

Beginning Receivership Cash as of February 28, 2019	\$	7,789,129
POST-RECEIVERSHIP SOURCE RECOVERIES:		
Premium Revenue		600,395
Premium Tax Refunds		110,957
Return of Premium from Accredited		34,436,138
Salvage and Subrogation Recoveries		270,764
New Tech Capital		110,378
Interest and Dividends		1,675,807
Other		2,424,655
TOTAL POST-RECEIVERSHIP SOURCE RECOVERIES:		39,629,094
USES POST RECEIVERSHIP:		
Other Admin		(2,087,542)
Professional Services		(2,142,481)
TOTAL USES POST RECEIVERSHIP:		(4,230,023)
Net cash increase for period		35,399,071
Ending Cash as of September 30, 2020	\$	43,188,200

Spirit Commercial Auto Risk Retention Group, Inc
September 30, 2020

Income Items:

Premium Tax Refunds	\$	4,300.55
Dividend Income/Short-Term Capital Gains	\$	107,958.23
Total Income	\$	<u>112,258.78</u>

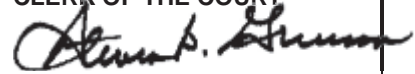
Disbursements:

Bank Fees	\$	305.12
Cantilo & Bennett, L.L.P.	\$	79,277.74
Frost Brown Todd	\$	1,443.00
FTI Consulting, Inc.	\$	148,098.00
Greenberg Traurig, LLP	\$	58,295.99
Iron Mountain	\$	488.00
Maple Technologies	\$	6,000.00
Oliver Wyman	\$	625.00
Palomar Financial, LC	\$	9,775.00
Tristar Risk Management	\$	100,971.00
Total Disbursements	\$	<u>405,278.85</u>
Net Cash Flow	\$	<u><u>(293,020.07)</u></u>

Spirit Commercial Auto Risk Retention Group, Inc
September 30, 2020

Account Name	Account Balance
Spirit Commerce Claims Account	\$ (33,526.61)
Spirit Commerce Operating Account	\$ 67,383.01
Spirit Commerce Premium Tax Account	\$ (2,648.72)
Spirit Frost Operating Account	\$ 116,167.37
Spirit Fidelity Investment Account	\$ 43,040,825.38
Total Cash and Investments	<u>\$ 43,188,200.43</u>

TAB 11



1 **SR**

2 MARK E. FERRARIO, Bar No. 1625
3 KARA B. HENDRICKS, Bar No. 7743
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13 *Attorneys for the Plaintiff*

14
15 **IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**
16
17 **CLARK COUNTY, NEVADA**

18 STATE OF NEVADA, EX REL.
19 COMMISSIONER OF INSURANCE, IN HER
20 OFFICIAL CAPACITY AS STATUTORY
21 RECEIVER FOR DELINQUENT DOMESTIC
22 INSURER,

23 Plaintiff,

24 vs.

25 SPIRIT COMMERCIAL AUTO RISK
26 RETENTION GROUP, INC., a Nevada
27 Domiciled Association Captive Insurance
28 Company,

Defendant.

Case No. A-19-787325-B
Dept. No. 27

EIGHTH STATUS REPORT

23 COMES NOW, Commissioner of Insurance and Receiver, Barbara D. Richardson, and CANTILO
24 & BENNETT, L.L.P., Special Deputy Receiver ("SDR"), and files this Eighth Status Report in the above-
25 captioned receivership. In accordance with the orders of this Court and the Nevada Revised Statutes
26 ("NRS") Chapter 696B, the Receiver makes this "true report[s] in summary form of the insurer's affairs
27 under the receivership and of progress being made in accomplishing the objectives of the receivership."
28 NRS 696B.290(7).

I.

INTRODUCTION

Spirit Commercial Auto Risk Retention Group, Inc. (“Spirit” or the “Company”) is an association captive insurance company organized under the insurance laws of Nevada and the Liability Risk Retention Act of 1986. Spirit received its Certificate of Authority on February 24, 2012, and operates under the authority of NRS Chapter 694C. Spirit transacted commercial auto liability insurance business. Within that line, Spirit specialized in serving commercial truck owners.

Pursuant to NRS 679A.160, Spirit is subject to Nevada laws in Chapters 694C and 695E that pertain to captive insurers (as “captive insurer” is defined in NRS 694C.060) and risk retention groups (as “risk retention group” is defined in NRS 695E.110) that have a Certificate of Authority from the Division. Spirit is considered an association captive insurer (as “association captive insurer” is defined in NRS 694C.050). As a risk retention group (“RRG”), Spirit is subject to the Federal Liability Risk Retention Act of 1986. RRGs domiciled in Nevada do not participate in the Nevada Guaranty Association. Pursuant to NRS 695E.140(1)(a), Spirit is also subject to all laws that pertain to traditional liability insurers (with exceptions given in Bulletin 14-008).

As discussed in the Receiver’s First Status Report, Spirit is part of an Insurance Holding Company System and in large part it only did business with other members of that system. CTC Transportation Insurance Services of Missouri, LLC (“CTC”), with offices in Missouri, New Jersey, and California, served as the program administrator and managing general agent for Spirit. Criterion Claims Solutions of Omaha, Inc. (“Criterion”) was the third-party claims administrator (“TPA”) for Spirit. Lexicon Insurance Management LLC was the captive manager for the company (after Risk Services initially served in that role through circa July 2018). Chelsea Financial Group, Inc. provided premium financing services for the majority of Spirit’s policies. The company 10-4 Risk Management provided risk management and loss run services. The owner or ultimate controlling person for each of these entities is or was Thomas Mulligan.¹ All of these companies were taking a portion of the premium dollars from Spirit-issued policies.

¹ See Schedule Y: Part 1A, to the Company’s 2018 Annual Statement, the “Detail of Insurance Holding Company System” (the Receiver’s First Status Report, Ex. B).

1 The Commissioner initially filed her first petition to put the Company into receivership on
2 January 11, 2019, and her efforts to protect the policyholders and other creditors of the estate were
3 contested vigorously by the Company. On February 27, 2019, this Court entered its Permanent
4 Receivership Order. Barbara D. Richardson, Commissioner of Insurance (“Commissioner”), in her
5 capacity as Receiver for Spirit appointed the firm of CANTILO & BENNETT, L.L.P. as the Special Deputy
6 Receiver of the Companies. The “Receiver” and “Special Deputy Receiver” are referred to collectively
7 herein as the “Receiver.”

8 In brief, the Permanent Receivership Order established the following key points for the Spirit
9 receivership:

- 10 1) that the Company’s in-force insurance policies are to be canceled effective on the earlier
11 of April 15, 2019, or the date when the insured ceased making premium payments to
12 Spirit;
- 13 2) that the Receiver may impose a full suspension on all disbursements owed by Spirit,
14 including insurance policy disbursements, and costs related to the defense or adjudication
15 of insurance policy claims;
- 16 3) that the receivership court has exclusive jurisdiction over all matters pertaining to Spirit
17 and all persons are enjoined from commencing, bringing, maintaining, or further
18 prosecuting any action at law, suit in equity, arbitration, or special or other proceeding
19 against the Company, Receiver, or Special Deputy Receiver;
- 20 4) that the Receiver is vested with exclusive title both legal and equitable to all of Spirit’s
21 property wherever located, to administer under the general supervisions of the Court;
- 22 5) that the Receiver may change to her own name the name of any of Spirit’s accounts, funds
23 or other property or assets, held with any bank, savings and loan association, other
24 financial institution, or any other person, wherever located, and may withdraw such
25 funds, accounts and other assets from such institutions or take any lesser action necessary
26 for the proper conduct of the receivership; and
- 27 6) that the Receiver is authorized to establish a receivership claims and appeal procedure,
28 for all receivership claims. The receivership claims and appeals procedures shall be used

1 to facilitate the orderly disposition or resolution of claims or controversies involving the
2 receivership or the receivership estate.

3 On September 16, 2019, the Receiver filed a consolidated motion for a Final Order Placing Spirit
4 Commercial Auto Risk Retention Group into Liquidation, and for an Order Setting a Claims Filing
5 Deadline, and Granting Related Relief (the “Consolidated Motion”). The Consolidated Motion was
6 heard and granted on October 24, 2019. On November 6, 2019, the Court entered its Final Order Placing
7 Spirit into Liquidation (the “Liquidation Order”) and its Final Order Setting Claims Filing Deadline for
8 Spirit and Related Relief (“the Claims Order”). The Claims Order established a Claims Filing Deadline,
9 and procedures for filing claims against Spirit. The Liquidation Order also granted the Receiver’s
10 request to formally place Spirit into liquidation effective on November 6, 2019. On September 30, 2020,
11 the Court entered an *Order Extending the Claims Filing Deadline for Spirit Commercial Auto Risk*
12 *Retention Group, Inc.* The Claims Filing Deadline is now **May 31, 2021**.

13 II.

14 RECEIVERSHIP ADMINISTRATION

15 A. Notice of Developments in Receivership

16 The Receiver initially distributed notices regarding the Permanent Receivership Order to all
17 interested parties of Spirit, as detailed in the Receiver’s prior quarterly status reports. On August 19,
18 2019, the Court entered its Order Regarding Motion for Instructions Including Notice Requirements (the
19 “Notice Order”). The Receiver, pursuant to the requirements of the Notice Order, has given notice to
20 interested parties of the Liquidation Order, the Claims Order, and the approved procedures for filing
21 claims against Spirit in receivership.² More recently, the Receiver has provided notice of the new
22 extended Claims Filing Deadline. Future notices about Spirit’s receivership will be provided to
23 interested parties in accordance with the Court’s Notice Order.

24
25
26
27 ² The Receiver’s Fourth Status Report (available at www.spiritinsure.com) provides a detailed description of the
28 notice procedures and the steps taken by the Receiver to provide notice to all interested parties of Spirit.

B. Claims Administration and Third-Party Support Services

TRISTAR Risk Management (“TRISTAR”) is assisting the Receiver in evaluating the incoming Proofs of Claim (“POC”).³ There have been 1,173 POC submissions received to date. The Receiver continues to send notice letters to parties to be sure that they are aware of the claim procedures, particularly when the Receiver is able to locate contact information for new claimants not previously recorded in the file (*i.e.*, because complete records were not established or kept by Criterion).

As previously reported, the Receiver must review each POC form to be sure it is complete and that it complies with the requirements of NRS 696B.330 and the procedures established by the Receivership Court. In many other instances the POC form is complete, but the claim is lacking in some key document and/or information that is needed to fully evaluate and determine the claim(s). The claimant is then provided a written notice, and the opportunity to submit additional materials to cure the defect. This is a key part of the work that is ongoing at this time in claims administration, in addition to reviewing and evaluating the POCs that are complete. After the May 31, 2021, Claims Filing Deadline, the Receiver will prepare to send Notices of Claim Determination to those who submitted timely POCs.

The United States has filed a POC in the receivership, asserting the priority of its claims—if any (they are unknown at this time according to the POC)—over and above any other claims against the estate pursuant to 31 U.S. Code § 3713, also known as the government “superpriority” statute. The Receiver will report further on this matter in subsequent status reports. This matter remains pending as of this Eighth Status Report.

The policy data of Spirit is held in the Aspire Information System (“Aspire”), which was created by Maple Technologies. The Receiver believes that this system is still of value to the receivership, particularly during the pendency of the POC process and certain litigation matters. The Receiver will regularly review the need for this system.

Actuarial firm Oliver Wyman Actuarial Consulting, Inc. (“Oliver Wyman”) has been engaged to prepare actuarial estimates for Spirit’s claims and future losses.

³ As reported in the previous status report, TRISTAR has also conducted a review of Spirit’s open claim files, assessed the reasonableness of the claim reserves previously set by the Company and its claims manager, Criterion, and made recommendations as to any reserve adjustments needed. In short, and among other findings, TRISTAR found that the Company was grossly under-reserved. The report is attached as an exhibit to the Receiver’s Sixth Status Report, available at www.SpiritInsure.com.

1 Calhoun, Thompson & Matza, L.L.P. is a CPA firm that has been hired by the Receiver to prepare
2 Spirit's federal and state tax returns.

3 PALOMAR FINANCIAL, LC ("Palomar") is an affiliated company of the Special Deputy Receiver
4 and performs financial and technical administrative support services for Spirit in receivership—and
5 those services are now being performed by Palomar. Palomar is being used to facilitate the
6 receivership's administration of financial matters. The Receiver, with assistance from Palomar, has
7 finalized all outstanding premium tax matters for the Company, including tax matters that were left
8 outstanding and overdue by former Spirit leadership at the outset of the Receivership.

9 The Receiver has continued to receive notice from time to time of lawsuits filed against Spirit in
10 violation of the Court's Permanent Receivership Order. The Receiver will continue its established
11 procedure of writing to the parties involved to inform them of the injunctions of the Permanent
12 Receivership Order, and to request a voluntary dismissal of Spirit from the matter. Thus far, the majority
13 of counsel have been amenable to such requests. In limited cases and only when absolutely necessary,
14 the Receiver will engage outside counsel to address ongoing or repeated violations of this Court's orders.

15 The Receiver has been required to engage local outside counsel Frost Brown Todd in a Kentucky
16 matter where a plaintiff's attorney refused to dismiss Spirit as a defendant, even after numerous warnings
17 that he is in violation of the Receivership Court's orders. After extensive briefing by the parties in this
18 matter, the federal proceeding has been stayed pending the outcome of Spirit's liquidation.⁴ As an added
19 precaution to ensure that the Nevada order is given the full faith and credit it is due,⁵ the Permanent
20 Receivership Order has been domesticated in Kentucky.

21 It was also necessary to engage outside counsel Fuller Law Group (and the paralegal services
22 firm Inquest Resources) in the state of Texas, to file a Plea in Abatement when a plaintiff's attorney
23 refused to acknowledge the Permanent Receivership Order. The Permanent Receivership Order was
24 domesticated in Texas as part of the effort to have this suit dismissed. The matter was finally resolved
25

26 ⁴ The federal court exercised the discretion afforded to it by *Burford v. Sun Oil Co.*, 319 U. S. 315 (1943), to stay
27 the plaintiff's claim against Spirit pending resolution of this liquidation proceeding.

28 ⁵ The majority of states give effect to the insurance receivership orders and stays of "reciprocal states" (*i.e.*, states
that have enacted a comprehensive legislative framework, typically based on model laws, for insurance company
receiverships). Kentucky and Nevada are reciprocal states.

1 with an Agreed Order Granting Plea in Abatement. The Receiver may elect to domesticate the
2 Permanent Receivership Order in other states as well as, and when, necessary to expedite violations of
3 the permanent injunction.

4 **C. Records**

5 The Receiver has made efforts to secure Spirit's electronic records from third parties. The
6 Receiver will continue with the evaluation of the Company and will continue gathering the Company's
7 records and data. This process will remain ongoing as the Receiver continues to identify parties that
8 may have information or records that will assist in carrying out the liquidation of Spirit. The recovery
9 of Spirit's complete records from third parties remains incomplete.

10 **D. Asset Recovery Litigation**

11 On February 6, 2020, the Receiver filed an asset recovery lawsuit against a number of parties,
12 including Thomas Mulligan, CTC, Criterion, Spirit's former directors and officers, various other former
13 vendors of Spirit, and various other related persons and entities ("Asset Recovery Lawsuit"). The Asset
14 Recovery Lawsuit was filed in the Eighth Judicial District Court of Clark County, Nevada and assigned
15 Case No. A-20-809963-B. Excerpts from the Asset Recovery Lawsuit are included below to illustrate
16 the nature of the Receiver's complaint are as follows:

- 17 1. This complaint arises out of a vast fraudulent enterprise orchestrated by Defendant
18 Thomas Mulligan and others, by which the Defendants operated a multitude of
19 interrelated companies in the insurance service industry for their own benefit and to
20 the detriment of their customers and insureds, including Spirit.
- 21 2. Through a web of interrelated companies that wrote insurance policies, provided so-
22 called financing for insureds wishing to purchase insurance, processed insurance
23 premiums, and/or adjusted and paid insurance claims, and collected Spirit's assets
24 (the "Mulligan Enterprise"), Mulligan and his confederates siphoned millions of
25 dollars from Spirit.
- 26 3. While Mulligan was the primary architect of his Enterprise, Defendant Pavel
27 Kapelnikov participated heavily in the design and implementation of the scheme and
28 assisted with perpetuating the fraud through his ownership and control of Mulligan

Enterprise entities, including a key Spirit services provider, which breached its obligations to Spirit. Mulligan and Pavel Kapelnikov used the many moving pieces of the Mulligan Enterprise to ensure that the entities they owned and controlled enjoyed preferential treatment as creditors by hiding the true and dismal financial condition of Spirit to prolong its operations while they continued to arrogate funds to themselves with a corresponding detriment to Spirit, its policy holders, and its other non-insider creditors.

4. As a result of this scheme, Spirit – an insurance company that insured trucking companies – became financially insolvent and was placed into permanent receivership and subsequently into liquidation, leaving hundreds of unpaid claims and a host of creditors. This complaint seeks to recover, on behalf of Spirit and those affected, the tens of millions of dollars that are owed to Spirit from its principal Mulligan and his cohorts and/or the companies over which he exercised interest and/or control, including companies that were contracted to provide services to Spirit that absconded with virtually all of Spirit’s assets and third-party companies to which Spirit’s funds were siphoned.

On March 27, 2020, an answer was filed on behalf of certain Defendants, along with a demand for jury trial: Pavel Kapelnikov, Chelsea Financial Group, Inc.,⁶ Global Forwarding Enterprises, LLC, Kapa Management Consulting, Inc., and Kapa Ventures, Inc. The following Defendants have also filed answers to the suit: Brenda Guffey, ICAP Management Solutions, LLC, Daniel George, Lexicon Insurance Management, LLC, James Marx, Igor and Yanina Kapelnikov (along with a demand for jury trial), and Carlos and Virginia Torres. A default judgment was entered on April 24, 2020, against Global Capital Group, LLC, after no answer or other appearance was filed. A three-day Notice of Intent to Take Default Upon Defendant John S. Maloney was filed on May 1, 2020. On May 13, 2020, Defendant John Maloney filed an Answer. On May 14, 2020, an Answer was filed by Defendant Thomas Mulligan. Also, on May 14, 2020, an Answer was filed by Six Eleven, LLC, Quote My Rig, LLC, New Tech

⁶ Both the California and New Jersey corporations.

1 Capital, LLC, 195 Gluten Free, LLC, 10-4 Preferred Risk Managers, LLC, Ironjab, LLC, Fourgorean
2 Capital, LLC, and Chelsea Holding Company, LLC. On May 21, 2020, a default judgment was entered
3 against Chelsea Holdings, LLC⁷ and Chelsea Financial Group, Inc. However, on June 4, 2020, a
4 Stipulation and Order was entered to set aside the default judgment against Chelsea Financial Group,
5 Inc. On June 10, 2020, Chelsea Financial Group, Inc. filed its answer to the Complaint. On August 24,
6 2020, Matthew Simon filed an Answer. On August 26, 2020, Scott McCrae filed an Answer.

7 On May 14, 2020, CTC⁸ and Criterion Claim Solutions of Omaha, Inc. each filed Motions to
8 Compel Arbitration of the claims asserted by the Receiver in her asset recovery lawsuit. On June 4,
9 2020, the Receiver filed her Oppositions to Criterion's and to the CTC Defendants' Motions to Compel
10 Arbitration. On June 11, 2020, CTC and Criterion Claim Solutions of Omaha, Inc. each filed a Reply in
11 Support of their Motion to Compel Arbitration.

12 On May 14, 2020, Defendants Scott McCrae and Matthew Simon filed a Motion to Dismiss the
13 Complaint. On June 4, 2020, the Receiver filed her Opposition to Defendants Scott McCrae and
14 Matthew Simon, Jr.'s Motion to Dismiss. On June 11, 2020, Defendants Scott McCrae and Matthew
15 Simon filed a Reply in Support of their Motion to Dismiss Plaintiff's Complaint. A hearing of the above
16 matters (*i.e.*, the motions to compel arbitration and to dismiss) was initially set for June 18, 2020.

17 On June 15, 2020, a Minute Order was issued by Judge Mark R. Denton ruling that due to the
18 ongoing Coronavirus situation, the June 18, 2020, hearing was deemed submitted on the briefs and under
19 advisement, and the hearing was vacated from the calendar. On July 6, 2020, Judge Denton granted
20 Criterion's Motion to Compel Arbitration, and ruled that it would dismiss the action without prejudice.
21 However, the Court was not persuaded by Criterion's contention that the Receiver's positions are
22 frivolous, and it thus denied Defendant's request for attorneys' fees. The Order was entered on July 22,
23 2020. On August 5, 2020, the Receiver filed her Motion for Reconsideration of the Court's July 22,
24 2020, Order Regarding Criterion Claim Solutions of Omaha Inc.'s Motion to Compel Arbitration;

25 ⁷ Thomas Mulligan has attested that he is a member of defendant Chelsea Holdings Company, LLC, but is not
26 affiliated or associated in any way with Chelsea Holdings, Inc. Counsel located the real member of Chelsea Holdings, Inc.
27 and the Secretary of State filings have been corrected. Chelsea Holdings, LLC was voluntarily dismissed without prejudice
from this matter on December 21, 2020.

28 ⁸ Here, "CTC" refers to Defendants CTC Transportation Insurance Services of Missouri LLC; CTC Transportation
Insurance Services, LLC; and CTC Transportation Insurance Services of Hawaii LLC.

1 Criterion filed its Opposition to the Receiver's Motion on August 19, 2020. A hearing was set for
2 September 8, 2020. On September 29, the Court denied the Receiver's Motion for Reconsideration of
3 the Court's July 22, 2020, Order Regarding Criterion Claim Solutions of Omaha Inc.'s Motion to Compel
4 Arbitration. The Receiver plans on filing a writ petition in the Nevada Supreme Court.

5 On July 6, 2020, Judge Denton also granted the CTC Defendants' Motion to Compel Arbitration
6 – the Order was entered July 17, 2020. Finally, on July 6, 2020, the Court granted in part and denied in
7 part Defendants Scott McCrae and Matthew Simon, Jr.'s Motion to Dismiss. The order was entered on
8 August 10, 2020. On July 30, 2020, the Receiver filed a Motion for Reconsideration and/or Clarification
9 of the Court's July 17, 2020, Order Regarding CTC Defendants' Motion to Compel Arbitration. On
10 August 13, 2020, the CTC Defendants filed their Opposition to the Receiver's Motion for
11 Reconsideration. On August 24, 2020, the Receiver filed her Reply in Support of the Motion for
12 Reconsideration and/or Clarification of the Court's July 17, 2020, Order. A hearing of the Receiver's
13 Motion for Reconsideration was set for August 31, 2020, but was vacated and deemed submitted on the
14 briefs and under advisement. On September 16, 2020, the Court denied the Receiver's Motion for
15 Reconsideration and/or Clarification of the Court's July 17, 2020, Order Regarding CTC Defendants'
16 Motion to Compel Arbitration. The Receiver plans on filing a writ petition in the Nevada Supreme
17 Court.

18 On August 24, 2020, nine of the defendants⁹ filed a Motion to Stay Pending Arbitration.
19 Nineteen additional defendants then filed joinders to the Motion to Stay.¹⁰ On September 11, 2020, the
20 Receiver filed an opposition to the Motion to Stay and joinders thereto. A hearing was held on the
21

22 ⁹ Six Eleven LLC, Quote My Rig, LLC, New Tech Capital, LLC, 195 Gluten Free LLC, 10-4 Preferred Risk
23 Managers, Inc., Ironjab LLC, Fourgorean Capital LLC, Chelsea Holdings Company, LLC ("Chelsea Holdings"), and Chelsea
Financial Group, Inc. (MO) ("Chelsea Financial MO") (collectively, "Six Eleven Defendants").

24 ¹⁰ Brenda Guffey filed a joinder on September 2, 2020. James Marx, John Maloney, Virginia Torres, and Carlos
25 Torres (Marx, Maloney, V. Torres, and C. Torres will be referred to collectively herein as the "Spirit Director Defendants")
also filed a joinder on September 2, 2020. On September 3, 2020, Defendants Pavel Kapelnikov, Chelsea Financial Group,
26 Inc. (New Jersey) ("Chelsea Financial New Jersey"), Chelsea Financial Group, Inc. (California) ("Chelsea Financial
California"), Global Forwarding Group, Inc. ("Global Forwarding"), Kapa Management Consulting, Inc. ("Kapa
27 Management"), Kapa Ventures Inc. ("Kapa Ventures"), Igor Kapelnikov, and Yanina Kapelnikov (collectively "Kapelnikov
Group") filed a joinder. Thomas Mulligan also filed a joinder on September 3, 2020. Additionally, on September 3, 2020,
28 Defendants Lexicon Insurance Management LLC ("Lexicon"), ICAP Management Solutions, LLC ("ICAP") and Daniel
George ("George") collectively ("Lexicon/George Group") filed a joinder. Matthew Simon Jr. and Scott McCrae also filed a
joinder on September
4, 2020.

1 Motion to Stay & Opposition thereto via videoconference on September 28, 2020. On October 2, 2020,
2 the Court granted the Motion to Stay Pending Arbitration and the Joinders thereto, “being persuaded by
3 the Motion/Joiners that Plaintiff’s claims against the Defendants are so intertwined with those against
4 the parties subject to arbitration that a stay is warranted for the reasons advanced by Defendants.” The
5 formal Notice of Entry of Order was entered on November 17, 2020. The Receiver plans on filing a writ
6 petition in the Nevada Supreme Court.

7 On December 31, 2020, QBE Insurance Corporation (“QBE”) submitted its Application for
8 Relief from the Permanent Injunction (the “QBE Application”) so as to permit QBE to advance defense
9 costs to the individual defendants (*i.e.*, Spirit’s former directors and officers) named in Case No: A-20-
10 809963-C. QBE issued a professional liability policy to Spirit for the June 1, 2018 to June 1, 2019 Policy
11 Period. According to the QBE Application, Spirit’s former directors and officers have sought coverage
12 for defense and indemnity from QBE in the Asset Recovery lawsuit. Per the QBE Application, “QBE
13 has determined that it is contractually obligated under the Policy to advance certain Defense Costs (as
14 defined) and that these costs will likely exceed the Policy’s \$1,500,000 Limit of Liability.” QBE is
15 seeking relief from the injunctions within the Permanent Receivership Order, so that it may advance
16 defense costs to the individual defendants. The Receiver previously sent a notice of claim and demand
17 for policy limits to QBE on May 29, 2019. On January 13, 2021, the Receiver filed a Limited Response
18 to Application for Relief from Permanent Injunction, stating *inter alia* that it is the Receiver’s belief that
19 the Court is best suited to approve and/or deny QBE’s request to proceed as outlined in the QBE
20 Application. A hearing has been scheduled for this matter on February 3, 2021.

21 **E. Receivership Assets and Liabilities**

22 The Receiver has been gathering information and evaluating the assets and liabilities of Spirit.
23 A further preliminary liability analysis will be determined after TRISTAR further evaluates claims and
24 an actuary prepares an updated estimate of Spirit’s liabilities. Below is an overview of some key assets
25 and liability matters thus far identified by the Receiver.

- 26 1. CTC owes a large balance to Spirit that is at least more than \$40 million and may
27 be much greater after further discovery. The Receiver filed the Asset Recovery
28 Lawsuit seeking the return of this money *inter alia* as detailed above.

2. The cash and invested assets of the Company were approximately \$41,171,940.54 as of December 31, 2020.
3. Gross Loss and Loss Adjustment Expense and General Liability Losses: The gross loss and loss adjustment amounts will be further evaluated and projected by outside actuaries for Spirit.
4. Other Assets: There is no known tangible personal property or real property owned by the Company.

We are enclosing the consultants and Special Deputy Receiver bill payments since the last status report filed with the Court. Detailed billings are submitted *in camera*, and summaries of such bills are submitted as Exhibit 1 to this report.¹¹ The Receiver is including, as Exhibit 2 attached hereto, a cash flow report for December 2020 reflecting recoveries, disbursements, and cash flow since the receivership began.

¹¹ The *in-camera* materials are being submitted in a separate envelope that reflect paid invoices. Certain billings submitted to the Court are appropriate for *in camera* review (as opposed to being made part of a public filing). More particularly, and as discussed in further detail below, certain consultants in this matter will provide expert witness related services. As such, the billing entries relating thereto should be considered confidential and/or otherwise not subject to discovery.

In this regard, courts have held that the bills of legal counsel and experts may be withheld from legal discovery and are not subject to legal disclosure, as this information may provide indications or context concerning potential litigation strategy and the nature of the expert services being provided. *See, e.g., Avnet, Inc. v. Avana Technologies Inc.*, No. 2:13-cv-00929- GMN-PAL, 2014 WL 6882345, at *1 (D. Nev. Dec. 4, 2014) (finding that billing entries were privileged because they reveal a party's strategy and the nature of services provided); *Fed. Sav. & Loan Ins. Corp. v. Ferm*, 909 F.2d 372, 374-75 (9th Cir. 1990) (considering whether or not fee information revealed counsel's mental impressions concerning litigation strategy). Other courts that have addressed this issue have recognized that the "attorney-client privilege embraces attorney time, records and statements to the extent that they reveal litigation strategy and the nature of the services provided." *Real v. Cont'l Grp., Inc.*, 116 F.R.D. 211, 213 (N.D. Cal. 1986).

The *in-camera* review should apply not only to documentation concerning attorney fees, but it also extends to "details of work revealed in [an] expert's work description [which] would relate to tasks for which she [or he] was compensated[.]" a situation which is "analogous to protecting attorney-client privileged information contained in counsel's bills describing work performed." *See DaVita Healthcare Partners, Inc. v. United States*, 128 Fed. Cl. 584, 592-93 (2016); *see also Chaudhry v. Gallerizzo*, 174 F.3d 394, 402 (4th Cir. 1999) (recognizing that "correspondence, bills, ledgers, statements, and time records which also reveal the motive of the client in seeking representation, litigation strategy, or the specific nature of the services provided, such as researching particular areas of law," are protected from disclosure) (quoting *Clarke v. Am. Commerce Nat'l Bank*, 974 F.2d 127, 129 (9th Cir. 1992)).

III.

CONCLUSION

In compliance with this Court's instructions for a status report regarding the affairs of the Company, the Receiver has submitted the aforementioned status report and requests that the Court approve this Eighth Status Report and the actions taken by the Receiver.

DATED this 20th day of January 2021.

Respectfully submitted:

Barbara D. Richardson, Commissioner of Insurance of the State of Nevada, in her Official Capacity as Statutory Receiver of Delinquent Domestic Insurer

By: /s/ CANTILO & BENNETT, L.L.P.
Special Deputy Receiver
By Its Authorized Representative
Mark F. Bennett

MARK E. FERRARIO, ESQ. (SB# 1625)
KARA HENDRICKS, ESQ. (SB# 7743)
TAMI D. COWDEN, ESQ. (SB# 8994)
GREENBERG TRAURIG, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, Nevada 89135

*Counsel for Barbara D. Richardson,
Commissioner of Insurance,
as the Permanent Receiver for Spirit
Commercial Auto Risk Retention Group, Inc.*

CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of January 2021, a true and correct copy of the foregoing ***Eighth Status Report*** was filed with the Clerk of the Court using the Odyssey eFileNV Electronic Service system and served on 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.

/s/ Andrea Lee Rosehill

An employee of Greenberg Traurig, LLP

EXHIBIT “1”

CANTILO & BENNETT, L.L.P.

ATTORNEYS & COUNSELORS
*A Texas Registered Limited Liability Partnership
Comprised of Professional Corporations*

11401 Century Oaks Terrace
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Austin, Texas 78758

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Facsimile: (512) 404-6550

October 14, 2020

BILL SUMMARY

70731 Spirit Commercial Auto Risk Retention Group

September 1 - September 30, 2020

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
70731	24918- 24922	\$80,070.00	\$ 327.46	\$80,397.46
Totals (1)		\$80,070.00	\$ 327.46	\$80,397.46

RA000304

Cantilo & Bennett, L.L.P.

SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP TIMEKEEPER SUMMARY REPORT 9/1/20-9/30/20

		Billable Hours	Billable Rate	September 2020
1	Timekeeper - Patrick H. Cantilo		\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	57.20	\$400.00	\$22,880.00
3	Timekeeper - Kristen W. Johnson	67.30	\$300.00	\$20,190.00
4	Timekeeper - Josh O. Lively	69.50	\$200.00	\$13,900.00
5	Timekeeper - Douglas J. Coonfield	19.70	\$200.00	\$3,940.00
6	Timekeeper - Jose M. Rangel		\$350.00	\$0.00
7	Timekeeper - Arati Bhattacharya		\$300.00	\$0.00
8	Timekeeper - Law Clerks	3.50	\$85.00	\$297.50
9	Timekeeper - Isaiah Samaniego	131.50	\$125.00	\$16,437.50
10	TimeKeeper - Susan Salch	1.00	\$300.00	\$300.00
11	TimeKeeper - Jeffrey L. Collins	17.00	\$125.00	\$2,125.00
	GRAND TOTAL	366.70		\$80,070.00

October 14, 2020
11:28 am

Cantilo & Bennett, L.L.P.
Unbilled Timekeeper Work by Matter

Page 1
[pr 3b]

Client ID 70731
Work Date :09/30/2020

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70731003	Spirit - Claims	5.55	2,220.00	0.00	0.00
70731008	Spirit-Administrative	21.65	8,660.00	0.00	0.00
70731100	Spirit-Asset Recovery	30.00	12,000.00	0.00	0.00
	Sub Total (MFB)	57.20	22,880.00	0.00	0.00*
CLK LAW CLERK					
70731003	Spirit - Claims	3.50	297.50	0.00	0.00
	Sub Total (CLK)	3.50	297.50	0.00	0.00*
JLC JEFFREY L. COLLINS					
70731008	Spirit-Administrative	0.30	37.50	0.00	0.00
70731100	Spirit-Asset Recovery	0.50	62.50	0.00	0.00
	Sub Total (JLC)	17.00	2,125.00	0.00	0.00*
DRC DOUGLAS R. COONFIELD					
70731003	Spirit - Claims	19.70	3,940.00	0.00	0.00
	Sub Total (DRC)	19.70	3,940.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70731008	Spirit-Administrative	13.50	4,050.00	0.00	0.00
70731100	Spirit-Asset Recovery	7.70	2,310.00	0.00	0.00
	Sub Total (KWJ)	67.30	20,190.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
	Sub Total (JOL)	69.50	13,900.00	0.00	0.00*
SES SUSAN E. SALCH					
	Sub Total (SES)	1.00	300.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70731008	Spirit-Administrative	131.50	16,437.50	0.00	0.00
	Sub Total (IXS)	131.50	16,437.50	0.00	0.00*
Grand Total		366.70	80,070.00	0.00	0.00

RA000306

October 13, 2020
12:15 pm

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	09/30/20	24920	22,312.50	0.00	0.00	22,312.50
70731008 Spirit-Administrative	09/30/20	24921	29,185.00	0.00	0.00	29,185.00
70731100 Spirit-Asset Recovery	09/30/20	24922	28,572.50	0.00	0.00	28,572.50
Totals (3)			80,070.00	0.00	0.00	80,070.00

RA000307

Work Date 09/01/2020:09/30/2020
Client ID 70731

Staff ID	Cost Code	Units	Amount	Write Down	Total
	PO1E POSTAGE	0.00	179.20	0.00	179.20
	WL1A WESTLAW	0.00	148.26	0.00	148.26
	Sub Total ()	0.00	327.46	0.00	327.46
	Grand Total	0.00	327.46	0.00	327.46

October 13, 2020
12:13 pm

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	09/30/20	24918	0.00	309.57	0.00	309.57
70731008 Spirit-Administrative	09/30/20	24919	0.00	17.89	0.00	17.89
Totals (2)			0.00	327.46	0.00	327.46

RA000309

CANTILO & BENNETT, L.L.P.

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November 12, 2020

BILL SUMMARY

70731 Spirit Commercial Auto Risk Retention Group

October 1 - October 31, 2020

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
70731	24977- 24980	\$64,323.75	\$ 298.43	\$64,622.18
	Totals (1)	\$64,323.75	\$ 298.43	\$64,622.18

RA000310

Cantilo & Bennett, L.L.P.

**SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP
TIMEKEEPER SUMMARY REPORT
10/1/20-10/31/20**

		Billable Hours	Billable Rate	October 2020
1	Timekeeper - Patrick H. Cantilo	0.00	\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	37.50	\$400.00	\$15,000.00
3	Timekeeper - Kristen W. Johnson	59.40	\$300.00	\$17,820.00
4	Timekeeper - Josh O. Lively	0.00	\$200.00	\$0.00
5	Timekeeper - Douglas J. Coonfield	49.80	\$200.00	\$9,960.00
6	Timekeeper - Jose M. Rangel	0.00	\$350.00	\$0.00
7	Timekeeper - Arati Bhattacharya	0.00	\$300.00	\$0.00
8	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	135.25	\$125.00	\$16,906.25
10	TimeKeeper - Susan Salch	0.00	\$300.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	37.10	\$125.00	\$4,637.50
	GRAND TOTAL	319.05		\$64,323.75

November 12, 2020
3:11 pm

Cantilo & Bennett, L.L.P.
Unbilled Timekeeper Work by Matter

Page 1
[pr 3b]

Client ID 70731
Work Date 10/1/20:10/31/2020

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70731003	Spirit - Claims	6.55	2,620.00	0.00	0.00
70731008	Spirit-Administrative	23.00	9,200.00	0.00	0.00
70731100	Spirit-Asset Recovery	7.95	3,180.00	0.00	0.00
	Sub Total (MFB)	37.50	15,000.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70731003	Spirit - Claims	36.80	4,600.00	0.00	0.00
70731008	Spirit-Administrative	0.30	37.50	0.00	0.00
	Sub Total (JLC)	37.10	4,637.50	0.00	0.00*
DRC DOUGLAS R. COONFIELD					
70731003	Spirit - Claims	49.80	9,960.00	0.00	0.00
	Sub Total (DRC)	49.80	9,960.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70731003	Spirit - Claims	38.10	11,430.00	0.00	0.00
70731008	Spirit-Administrative	21.30	6,390.00	0.00	0.00
	Sub Total (KWJ)	59.40	17,820.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70731003	Spirit - Claims	135.25	16,906.25	0.00	0.00
	Sub Total (IXS)	135.25	16,906.25	0.00	0.00*
Grand Total		319.05	64,323.75	0.00	0.00

RA000312

November 12, 2020
1:00 pm

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	10/31/20	24980	45,516.25	0.00	0.00	45,516.25
70731008 Spirit-Administrative	10/31/20	24978	15,627.50	0.00	0.00	15,627.50
70731100 Spirit-Asset Recovery	10/31/20	24979	3,180.00	0.00	0.00	3,180.00
Totals (3)			64,323.75	0.00	0.00	64,323.75

RA000313

Work Date 10/01/2020:10/31/2020
Client ID 70731

Staff ID	Cost Code	Units	Amount	Write Down	Total
	LX1A LEXIS	0.00	88.05	0.00	88.05
	PO1E POSTAGE	0.00	92.00	0.00	92.00
	WL1A WESTLAW	0.00	118.38	0.00	118.38
	Sub Total ()	0.00	298.43	0.00	298.43
	Grand Total	0.00	298.43	0.00	298.43

November 12, 2020
12:57 pm

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter

70731 Spirit Commercial Auto Risk Retention Group
70731003 Spirit - Claims

Totals (1)

Date Inv No

Fees

Costs

Credits

Total

10/31/20 24977

0.00

298.43

0.00

298.43

0.00

298.43

0.00

298.43

RA000315

CANTILO & BENNETT, L.L.P.

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December 29, 2020

BILL SUMMARY

70731 Spirit Commercial Auto Risk Retention Group

November 1 - November 30, 2020

Matter No. and Description	Invoice Number	Fees	Costs	Total
70731	25061- 25062 25171- 25172	\$53,337.50	\$ 263.13	\$53,600.63
	Invoices 25115 - 25116	\$ 6,600.00		\$ 6,660.00
	Totals (1)	\$59,937.50	\$ 263.13	\$60,200.63

8/24/20	KWJ	4.10	\$1,230.00
8/24/20		.10	30.00
8/25/20		3.50	1,050.00
8/25/20		1.00	300.00
8/26/20		.60	180.00
8/26/20		3.00	900.00
8/27/20		6.30	1,890.00
8/28/20		1.00	300.00
8/28/20		2.40	720.00

RA000316

Cantilo & Bennett, L.L.P.

**SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP
TIMEKEEPER SUMMARY REPORT
11/1/20-11/30/20**

		Billable Hours	Billable Rate	November 2020
1	Timekeeper - Patrick H. Cantilo	0.00	\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	42.35	\$400.00	\$16,940.00
3	Timekeeper - Kristen W. Johnson	41.80	\$300.00	\$12,540.00
4	Timekeeper - Josh O. Lively	0.00	\$200.00	\$0.00
5	Timekeeper - Douglas J. Coonfield	28.60	\$200.00	\$5,720.00
6	Timekeeper - Jose M. Rangel	0.00	\$350.00	\$0.00
7	Timekeeper - Arati Bhattacharya	0.00	\$300.00	\$0.00
8	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	105.00	\$125.00	\$13,125.00
10	TimeKeeper - Susan Salch	0.00	\$300.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	40.10	\$125.00	\$5,012.50
	GRAND TOTAL	257.85		\$53,337.50

December 29, 2020
1:05 pm

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	11/30/20	25112	39,920.00	0.00	0.00	39,920.00
70731008 Spirit-Administrative	11/30/20	25113	12,917.50	0.00	0.00	12,917.50
70731100 Spirit-Asset Recovery	11/30/20	25114	500.00	0.00	0.00	500.00
Totals (3)			53,337.50	0.00	0.00	53,337.50

RA000318

December 29, 2020
1:08 pm

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Iny No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	08/31/20	25115	5,790.00	0.00	0.00	5,790.00
70731008 Spirit-Administrative	08/31/20	25116	810.00	0.00	0.00	810.00
Totals (2)			6,600.00	0.00	0.00	6,600.00

RA000319

Client ID 70731
Work Date 11/1/20:11/30/2020

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70731003	Spirit - Claims	16.55	6,620.00	0.00	0.00
70731008	Spirit-Administrative	24.55	9,820.00	0.00	0.00
70731100	Spirit-Asset Recovery	1.25	500.00	0.00	0.00
	Sub Total (MFB)	42.35	16,940.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70731003	Spirit - Claims	39.80	4,975.00	0.00	0.00
70731008	Spirit-Administrative	0.30	37.50	0.00	0.00
	Sub Total (JLC)	40.10	5,012.50	0.00	0.00*
DRC DOUGLAS R. COONFIELD					
70731003	Spirit - Claims	28.60	5,720.00	0.00	0.00
	Sub Total (DRC)	28.60	5,720.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70731003	Spirit - Claims	31.60	9,480.00	0.00	0.00
70731008	Spirit-Administrative	10.20	3,060.00	0.00	0.00
	Sub Total (KWJ)	41.80	12,540.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70731003	Spirit - Claims	105.00	13,125.00	0.00	0.00
	Sub Total (IXS)	105.00	13,125.00	0.00	0.00*
Grand Total		257.85	53,337.50	0.00	0.00

Work Date 11/01/2020:11/30/2020
Client ID 70731

Staff ID	Cost Code	Units	Amount	Write Down	Total
	FD1A	0.00	74.44	0.00	74.44
	PO1E	0.00	77.90	0.00	77.90
	TS1A	0.00	110.79	0.00	110.79
	Sub Total ()	0.00	263.13	0.00	263.13
	Grand Total	0.00	263.13	0.00	263.13

January 14, 2021
9:12 am

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	11/30/20	25171	0.00	101.70	0.00	101.70
70731008 Spirit-Administrative	11/30/20	25172	0.00	161.43	0.00	161.43
Totals (2)			0.00	263.13	0.00	263.13

RA000322

11401 Century Oaks Terrace
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PALOMAR FINANCIAL, LC

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November 10, 2020

BILL SUMMARY

70731 Spirit Commercial Auto RRG, Inc. ("Spirit")

October 1, 2020 – October 31, 2020

Matter No. and Description	Fees	Costs	Total
October 2020 Non-IT Services	\$7,156.25	\$0.00	\$7,156.25
October 2020 IT Services Flat Fee	2,000.00	0.00	2,000.00
Totals (1)	\$9,156.25	\$0.00	\$9,156.25

RA000323

Palomar Financial, LC
SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD OCTOBER 2020

		Billable Hours	Billable Rate	October 2020 Billing
1	TIME KEEPER - Nicole Wilkins	5.10	\$250.00	\$1,275.00
2	TIME KEEPER - Robert Stebel	29.95	\$175.00	\$5,241.25
3	TIME KEEPER - Kelly Reed	1.00	\$160.00	\$160.00
4	TIME KEEPER - Neda Khalaf	0.00	\$175.00	\$0.00
5	TIME KEEPER - Brent Andrews	0.00	\$175.00	\$0.00
6	TIME KEEPER - Mary Noel	3.00	\$160.00	\$480.00
	GRAND TOTAL	39.05		\$7,156.25

Palomar Financial, LC
10/01/2020-10/31/2020
Client: Spirit Commercial Auto Risk Retention Group, Inc. ("SPIRIT")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	2.15	\$ 537.50
		Investment Accounting/Support	0.60	\$ 150.00
		Accounts Payable and Receivable	1.95	\$ 487.50
		Bank Account Administration/Reconciliation	0.20	\$ 50.00
		Taxes and Tax Planning	0.20	\$ 50.00
		Sub Total (NMW)	5.10	\$ 1,275.00
RNS	Robert Stebel	Financial Statement Preparation/Planning	1.60	\$ 280.00
		General Ledger Accounting	18.30	\$ 3,202.50
		Receivership Administration	2.75	\$ 481.25
		Taxes & Tax Planning	7.30	\$ 1,277.50
		Sub Total (RNS)	29.95	\$ 5,241.25
KJR	Kelly Reed	Bank Account Administration/Reconciliation	1.00	\$ 160.00
		Sub Total (KJR)	1.00	\$ 160.00
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	0.00	\$ -
		Sub Total (NK)	0.00	\$ -
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Accounts Payable and Receivable	2.50	\$ 400.00
		Bank Account Administration/Reconciliation	0.50	\$ 80.00
		Sub Total (MFN)	3.00	\$ 480.00
	Grand Total		39.05	\$ 7,156.25

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www.palomarfin.com

December 2, 2020

BILL SUMMARY

70731 Spirit Commercial Auto RRG, Inc. ("Spirit")

November 1, 2020 – November 30, 2020

Matter No. and Description	Fees	Costs	Total
November 2020 Non-IT Services	\$4,590.50	\$0.00	\$4,590.50
November 2020 IT Services Flat Fee	2,000.00	0.00	2,000.00
Totals (1)	\$6,590.50	\$0.00	\$6,590.50

RA000326

Palomar Financial, LC
SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD NOVEMBER 2020

		Billable Hours	Billable Rate	November 2020 Billing
1	TIME KEEPER - Nicole Wilkins	6.60	\$250.00	\$1,650.00
2	TIME KEEPER - Robert Stebel	11.50	\$175.00	\$2,012.50
3	TIME KEEPER - Kelly Reed	0.80	\$160.00	\$128.00
4	TIME KEEPER - Neda Khalaf	0.00	\$175.00	\$0.00
5	TIME KEEPER - Brent Andrews	0.00	\$175.00	\$0.00
6	TIME KEEPER - Mary Noel	5.00	\$160.00	\$800.00
	GRAND TOTAL	23.90		\$4,590.50

Palomar Financial, LC
11/01/2020-11/30/2020
Client: Spirit Commercial Auto Risk Retention Group, Inc. ("SPIRIT")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	0.95	\$ 237.50
		Investment Accounting/Support	1.90	\$ 475.00
		Accounts Payable and Receivable	1.80	\$ 450.00
		Bank Account Administration/Reconciliation	1.35	\$ 337.50
		Taxes and Tax Planning	0.20	\$ 50.00
		Actuarial Matters	0.40	\$ 100.00
		Sub Total (NMW)	6.60	\$ 1,650.00
RNS	Robert Stebel	Financial Statement Preparation/Planning	5.50	\$ 962.50
		General Ledger Accounting	1.70	\$ 297.50
		Receivership Administration	1.80	\$ 315.00
		Taxes & Tax Planning	2.50	\$ 437.50
		Sub Total (RNS)	11.50	\$ 2,012.50
KJR	Kelly Reed	Bank Account Administration/Reconciliation	0.80	\$ 128.00
		Sub Total (KJR)	0.80	\$ 128.00
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	0.00	\$ -
		Sub Total (NK)	0.00	\$ -
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Accounting Reports/Receivership Team Support	2.00	\$ 320.00
		Investment Accounting/Support	0.25	\$ 40.00
		Accounts Payable and Receivable	2.50	\$ 400.00
		Bank Account Administration/Reconciliation	0.25	\$ 40.00
		Sub Total (MFN)	5.00	\$ 800.00
Grand Total			23.90	\$ 4,590.50



Invoice No.: 5501507
File No. : 183955.010100
Bill Date : October 14, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Spirit Commercial Receivership

Legal Services through September 30, 2020:

Total Fees: \$ 27,507.50

Expenses:

Court Fees	6.00
Filing Fees	3.50

Total Expenses: \$ 9.50

Total Current Invoice: \$ 27,517.00

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5501551
File No. : 183955.010400
Bill Date : October 14, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: CTC

Legal Services through September 30, 2020:

Total Fees: \$ 37,656.50

Expenses:

Exhibits	513.30
Filing Fees	14.00

Total Expenses: \$ 527.30

Total Current Invoice: \$ 38,183.80

KBH:TKK
Tax ID: 13-3613083



Invoice No.: 5501485
File No. : 183955.010500
Bill Date : October 14, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: adv/ Tucker and Davis

Legal Services through September 30, 2020:

Total Fees: \$ 863.00

Total Current Invoice: \$ 863.00

KBH:TKK
Tax ID: 13-3613083



Invoice No.: 5501490
File No. : 183955.010600
Bill Date : October 14, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

Attn: Mark F Bennett
Esq.

INVOICE

Re: adv/ Kellee Sim

Legal Services through September 30, 2020:

Total Fees: \$ 1,083.00

Total Current Invoice: \$ 1,083.00

KBH:TKK
Tax ID: 13-3613083



Invoice No.: 5519742
File No. : 183955.010100
Bill Date : November 5, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Spirit Commercial Receivership

Legal Services through October 31, 2020:

Total Fees: \$ 2,517.50

Expenses:

Filing Fees

7.00

Total Expenses: \$ 7.00

Total Current Invoice: \$ 2,524.50

MEF:TKK

Tax ID: 13-3613083



Invoice No.: 5519715
File No. : 183955.010400
Bill Date : November 5, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: CTC

Legal Services through October 31, 2020:

Total Fees: \$ 32,290.00

Total Current Invoice: \$ 32,290.00

KBH:TKK
Tax ID: 13-3613083



Invoice No.: 5519688
File No. : 183955.010500
Bill Date : November 5, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: adv/ Tucker and Davis

Legal Services through October 31, 2020:

Total Fees: \$ 64.00

Total Current Invoice: \$ 64.00

KBH:TKK
Tax ID: 13-3613083



Invoice No.: 5519709
File No. : 183955.010600
Bill Date : November 5, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: adv/ Kellee Sim

Legal Services through October 31, 2020:

Total Fees: \$ 95.00

Total Current Invoice: \$ 95.00

KBH:TKK
Tax ID: 13-3613083



Invoice No.: 5553261
File No. : 183955.010100
Bill Date : December 8, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Spirit Commercial Receivership

Legal Services through November 30, 2020:

Total Fees: \$ 5,740.00

Total Current Invoice: \$ 5,740.00

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5553260
File No. : 183955.010400
Bill Date : December 8, 2020

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: CTC

Legal Services through November 30, 2020:

Total Fees: \$ 21,868.50

Expenses:

Exhibits	1,026.60
Other Charges	224.04

Total Expenses: \$ 1,250.64

Total Current Invoice: \$ 23,119.14

KBH:TKK
Tax ID: 13-3613083



Invoice Remittance

Kara Hendricks
Greenberg Traurig, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135
Hendricksk@gtlaw.com
On behalf of: Spirit Commercial Auto Risk Retention

December 8, 2020
FTI Invoice No. 7566589
FTI Job No. 400181.0526
Terms UPON RECEIPT
Federal I.D. No. 52-1261113
Currency: USD

Re: Spirit Reinsurance

Current Invoice Period: Charges Posted through November 30, 2020

Amount Due This Period

Professional Services	\$19,350.50
Expenses	<u>\$0.00</u>
Amount Due this Period.....	\$19,350.50

INVOICE						
Fuller Law Group 4612 Ridge Oak Drive Austin, TX 78731						
DATE: 8/31/20						
SPIRIT COMM. AUTO RISK RETENTION GROUP						
INVOICE SUBMITTED TO:						
Special Deputy Receiver						
Cantilo & Bennett LLP						
11401 Century Oaks Terrace						
Austin TX 78758						
Team Member	Position	Billing Code	Description	Rate	Hours	Fee
Chris Fuller	Attorney 1	70731-003	Legal Services/Subcontractor	\$260	11.9	\$3,094.00
				Labor		\$3,094.00
				Expenses		
				Grand Total		\$3,094.00

INVOICE						
Fuller Law Group 4612 Ridge Oak Drive Austin, TX 78731						
Date: 12/1/20						
SPIRIT COMM. AUTO RISK RETENTION GROUP						
INVOICE SUBMITTED TO:						
Special Deputy Receiver						
Cantilo & Bennett LLP						
11401 Century Oaks Terrace						
Austin TX 78758						
Team Member	Position	Billing Code	Description	Rate	Hours	Fee
Chris Fuller	Attorney 1	70731-003	Legal Services/Subcontractor	\$260	1.3	\$338.00
				Labor		\$338.00
				Expenses		\$6.66
				Grand Total		\$344.66



INQUEST RESOURCES
P.O. Box 2202
Austin, TX 78768
Telephone: (512) 380-0993
Fax: (800) 380-6302
www.inquestresources.com

Invoice No. 2581

Invoice Date: 11/01/2020

Net 30

Taxpayer ID#: 45-2971514

To: Mark F. Bennett
Cantilo & Bennett, LLP
Special Deputy Receiver for
Spirit Comercial Auto Risk Retention Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, Texas 78758

For Services rendered
October 1, 2020 to October 31, 2020

INVOICE SUMMARY:

<u>NAME</u>	<u>TITLE</u>	<u>HOURS</u>	<u>RATE PER HR</u>	<u>TOTAL FEE</u>
B. Falligant	Paralegal	0.7	\$85.00	\$59.50
TOTAL FEES:				\$59.50

EXPENSES:

Expense Reimbursement (see attached)	\$0.00
TOTAL EXPENSES:	\$0.00

<u>TOTAL ALL FEES/EXPENSES</u>	\$59.50
---------------------------------------	----------------

Please remit payment within 30 days to Inquest Resources at the address above and include invoice number.

RA000342



INQUEST RESOURCES
P.O. Box 2202
Austin, TX 78768
Telephone: (512) 380-0993
Fax: (800) 380-6302
www.inquestresources.com

Invoice No. 2604

Invoice Date: 12/01/2020

Net 30

Taxpayer ID#: 45-2971514

To: Mark F. Bennett
Cantilo & Bennett, LLP
Special Deputy Receiver for
Spirit Comercial Auto Risk Retention Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, Texas 78758

For Services rendered
November 1, 2020 to November 30, 2020

INVOICE SUMMARY:

<u>NAME</u>	<u>TITLE</u>	<u>HOURS</u>	<u>RATE PER HR</u>	<u>TOTAL FEE</u>
B. Falligant	Paralegal	1.2	\$85.00	\$102.00
TOTAL FEES:				\$102.00

EXPENSES:

Expense Reimbursement (see attached)	\$0.00
TOTAL EXPENSES:	\$0.00

<u>TOTAL ALL FEES/EXPENSES</u>	\$102.00
---------------------------------------	-----------------

Please remit payment within 30 days to Inquest Resources at the address above and include invoice number.

RA000343

EXHIBIT “2”

SPRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.

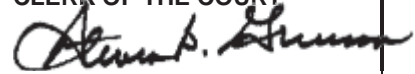
Cash Flow Analysis

March 2019 - December 2020

Sources & Uses

Beginning Receivership Cash as of February 28, 2019	\$	7,789,129
POST-RECEIVERSHIP SOURCE RECOVERIES:		
Premium Revenue		596,095
Premium Tax Refunds		137,127
Return of Premium from Accredited		34,436,138
Salvage and Subrogation Recoveries		272,364
New Tech Capital		110,378
Interest and Dividends		1,961,574
Other		812,104
TOTAL POST-RECEIVERSHIP SOURCE RECOVERIES:		38,325,780
USES POST RECEIVERSHIP:		
Other Admin		(2,367,368)
Professional Services		(2,575,601)
TOTAL USES POST RECEIVERSHIP:		(4,942,968)
Net cash increase for period		33,382,811
Ending Cash as of December 31, 2020	\$	41,171,941

TAB 12



SR

MARK E. FERRARIO, Bar No. 1625
KARA B. HENDRICKS, Bar No. 7743
TAMI D. COWDEN, Bar No. 8994
GREENBERG TRAURIG, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135
Telephone: (702) 792-3773
Facsimile: (702) 792-9002
Email: ferrariom@gtlaw.com
hendricksk@gtlaw.com
cowdent@gtlaw.com

Attorneys for the Plaintiff

**IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
CLARK COUNTY, NEVADA**

STATE OF NEVADA, EX REL. COMMISSIONER
OF INSURANCE, IN HER OFFICIAL CAPACITY
AS STATUTORY RECEIVER FOR DELINQUENT
DOMESTIC INSURER,

Plaintiff,

vs.

SPIRIT COMMERCIAL AUTO RISK RETENTION
GROUP, INC., a Nevada Domiciled Association
Captive Insurance Company,

Defendant.

Case No. A-19-787325-B
Dept. No. 27

NINTH STATUS REPORT

COMES NOW, Commissioner of Insurance and Receiver, Barbara D. Richardson, and CANTILO & BENNETT, L.L.P., Special Deputy Receiver ("SDR"), and files this Ninth Status Report in the above-captioned receivership. In accordance with the orders of this Court and the Nevada Revised Statutes ("NRS") Chapter 696B, the Receiver makes this "true report[s] in summary form of the insurer's affairs under the receivership and of progress being made in accomplishing the objectives of the receivership." NRS 696B.290(7).

I.

INTRODUCTION

Spirit Commercial Auto Risk Retention Group, Inc. (“Spirit” or the “Company”) is an association captive insurance company organized under the insurance laws of Nevada and the Liability Risk Retention Act of 1986. Spirit received its Certificate of Authority on February 24, 2012, and operates under the authority of NRS Chapter 694C. Spirit transacted commercial auto liability insurance business. Within that line, Spirit specialized in serving commercial truck owners.

Pursuant to NRS 679A.160, Spirit is subject to Nevada laws in Chapters 694C and 695E that pertain to captive insurers (as “captive insurer” is defined in NRS 694C.060) and risk retention groups (as “risk retention group” is defined in NRS 695E.110) that have a Certificate of Authority from the Division. Spirit is considered an association captive insurer (as “association captive insurer” is defined in NRS 694C.050). As a risk retention group (“RRG”), Spirit is subject to the Federal Liability Risk Retention Act of 1986. RRGs domiciled in Nevada do not participate in the Nevada Guaranty Association. Pursuant to NRS 695E.140(1)(a), Spirit is also subject to all laws that pertain to traditional liability insurers (with exceptions given in Bulletin 14-008).

As discussed in the Receiver’s First Status Report, Spirit is part of an Insurance Holding Company System and in large part it only did business with other members of that system. CTC Transportation Insurance Services of Missouri, LLC (“CTC”), with offices in Missouri, New Jersey, and California, served as the program administrator and managing general agent for Spirit. Criterion Claims Solutions of Omaha, Inc. (“Criterion”) was the third-party claims administrator (“TPA”) for Spirit. Lexicon Insurance Management LLC was the captive manager for the company (after Risk Services initially served in that role through circa July 2018). Chelsea Financial Group, Inc. provided premium financing services for the majority of Spirit’s policies. The company 10-4 Risk Management provided risk management and loss run services. The owner or ultimate controlling person for each of these entities is or was Thomas Mulligan.¹ All of these companies were taking a portion of the premium dollars from Spirit-issued policies.

¹ See Schedule Y: Part 1A, to the Company’s 2018 Annual Statement, the “Detail of Insurance Holding Company System” (the Receiver’s First Status Report, Ex. B).

1 The Commissioner initially filed her first petition to put the Company into receivership on
2 January 11, 2019, and her efforts to protect the policyholders and other creditors of the estate were
3 contested vigorously by the Company. On February 27, 2019, this Court entered its Permanent
4 Receivership Order. Barbara D. Richardson, Commissioner of Insurance (“Commissioner”), in her
5 capacity as Receiver for Spirit appointed the firm of CANTILO & BENNETT, L.L.P. as the Special Deputy
6 Receiver of the Companies. The “Receiver” and “Special Deputy Receiver” are referred to collectively
7 herein as the “Receiver.”

8 In brief, the Permanent Receivership Order established the following key points for the Spirit
9 receivership:

- 10 1) that the Company’s in-force insurance policies are to be canceled effective on the earlier
11 of April 15, 2019, or the date when the insured ceased making premium payments to
12 Spirit;
- 13 2) that the Receiver may impose a full suspension on all disbursements owed by Spirit,
14 including insurance policy disbursements, and costs related to the defense or adjudication
15 of insurance policy claims;
- 16 3) that the receivership court has exclusive jurisdiction over all matters pertaining to Spirit
17 and all persons are enjoined from commencing, bringing, maintaining, or further
18 prosecuting any action at law, suit in equity, arbitration, or special or other proceeding
19 against the Company, Receiver, or Special Deputy Receiver;
- 20 4) that the Receiver is vested with exclusive title both legal and equitable to all of Spirit’s
21 property wherever located, to administer under the general supervisions of the Court;
- 22 5) that the Receiver may change to her own name the name of any of Spirit’s accounts, funds
23 or other property or assets, held with any bank, savings and loan association, other
24 financial institution, or any other person, wherever located, and may withdraw such
25 funds, accounts and other assets from such institutions or take any lesser action necessary
26 for the proper conduct of the receivership; and
- 27 6) that the Receiver is authorized to establish a receivership claims and appeal procedure,
28 for all receivership claims. The receivership claims and appeals procedures shall be used

1 to facilitate the orderly disposition or resolution of claims or controversies involving the
2 receivership or the receivership estate.

3 On September 16, 2019, the Receiver filed a consolidated motion for a Final Order Placing Spirit
4 Commercial Auto Risk Retention Group into Liquidation, and for an Order Setting a Claims Filing
5 Deadline, and Granting Related Relief (the “Consolidated Motion”). The Consolidated Motion was
6 heard and granted on October 24, 2019. On November 6, 2019, the Court entered its Final Order Placing
7 Spirit into Liquidation (the “Liquidation Order”) and its Final Order Setting Claims Filing Deadline for
8 Spirit and Related Relief (“the Claims Order”). The Claims Order established a Claims Filing Deadline,
9 and procedures for filing claims against Spirit. The Liquidation Order also granted the Receiver’s
10 request to formally place Spirit into liquidation effective on November 6, 2019. On September 30, 2020,
11 the Court entered an *Order Extending the Claims Filing Deadline for Spirit Commercial Auto Risk*
12 *Retention Group, Inc.* The Claims Filing Deadline is now **May 31, 2021**.

13 **II.**

14 **RECEIVERSHIP ADMINISTRATION**

15 **A. Notice of Developments in Receivership**

16 The Receiver initially distributed notices regarding the Permanent Receivership Order to all
17 interested parties of Spirit, as detailed in the Receiver’s prior quarterly status reports. On August 19,
18 2019, the Court entered its Order Regarding Motion for Instructions Including Notice Requirements (the
19 “Notice Order”). The Receiver, pursuant to the requirements of the Notice Order, has given notice to
20 interested parties of the Liquidation Order, the Claims Order, and the approved procedures for filing
21 claims against Spirit in receivership.² More recently, the Receiver has provided notice of the new
22 extended Claims Filing Deadline. Future notices about Spirit’s receivership will be provided to
23 interested parties in accordance with the Court’s Notice Order.

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² The Receiver’s Fourth Status Report (available at www.spiritinsure.com) provides a detailed description of the
notice procedures and the steps taken by the Receiver to provide notice to all interested parties of Spirit.

B. Claims Administration and Third-Party Support Services

TRISTAR Risk Management (“TRISTAR”) is assisting the Receiver in evaluating the incoming Proofs of Claim (“POC”).³ There have been 1,232 POC submissions received to date. The Receiver continues to send notice letters to parties to be sure that they are aware of the claim procedures, particularly when the Receiver is able to locate contact information for new claimants not previously recorded in the file (*i.e.*, because complete records were not established or kept by Criterion).

As previously reported, the Receiver must review each POC form to be sure it is complete and that it complies with the requirements of NRS 696B.330 and the procedures established by the Receivership Court. In many other instances the POC form is complete, but the claim is lacking in some key document and/or information that is needed to fully evaluate and determine the claim(s). The claimant is then provided a written notice, and the opportunity to submit additional materials to cure the defect. This is a key part of the work that is ongoing at this time in claims administration, in addition to reviewing and evaluating the POCs that are complete. After the May 31, 2021, Claims Filing Deadline, the Receiver will prepare to send Notices of Claim Determination to those who submitted timely POCs.

The United States has filed a POC in the receivership, asserting the priority of its claims—if any (they are unknown at this time according to the POC)—over and above any other claims against the estate pursuant to 31 U.S. Code § 3713, also known as the government “superpriority” statute. The Receiver recently sent a letter to the United States to provide a reminder that its claim must be complete, non-contingent, and liquidated in amount on or before the May 31, 2021, deadline – and that if no amendment or supplement to the POC is received by that date, the claim will be denied and barred from sharing in the assets of the Spirit estate. The Receiver will report further on this matter in subsequent status reports. This matter remains pending as of this Ninth Status Report.

The policy data of Spirit is held in the Aspire Information System (“Aspire”), which was created by Maple Technologies. The Receiver believes that this system is still of value to the receivership,

³ As reported in the previous status report, TRISTAR has also conducted a review of Spirit’s open claim files, assessed the reasonableness of the claim reserves previously set by the Company and its claims manager, Criterion, and made recommendations as to any reserve adjustments needed. In short, and among other findings, TRISTAR found that the Company was grossly under-reserved. The report is attached as an exhibit to the Receiver’s Sixth Status Report, available at www.SpiritInsure.com.

1 particularly during the pendency of the POC process and certain litigation matters. The Receiver will
2 regularly review the need for this system.

3 Actuarial firm Oliver Wyman Actuarial Consulting, Inc. (“Oliver Wyman”) has been engaged to
4 prepare actuarial estimates for Spirit’s claims and future losses. Oliver Wyman is working on draft
5 actuarial estimates for Spirit as of December 31, 2020, which the Receiver expects to finalize before the
6 next status report.

7 Calhoun, Thompson & Matza, L.L.P. is a CPA firm that has been hired by the Receiver to prepare
8 Spirit’s federal and state tax returns.

9 PALOMAR FINANCIAL, LC (“Palomar”) is an affiliated company of the Special Deputy Receiver
10 and performs financial and technical administrative support services for Spirit in receivership—and
11 those services are now being performed by Palomar. Palomar is being used to facilitate the
12 receivership’s administration of financial matters. The Receiver, with assistance from Palomar, has
13 finalized all outstanding premium tax matters for the Company, including tax matters that were left
14 outstanding and overdue by former Spirit leadership at the outset of the Receivership.

15 As the Court is aware, the Receiver has engaged the law firm of Greenberg Traurig LLP
16 (“Greenberg Traurig”), as counsel in this receivership matter. Additionally, Greenberg Traurig is
17 representing the Receiver on Spirit’s behalf in an asset recovery case filed in the Eighth Judicial District
18 Court as Case No. A-20-809963. Although Greenberg Traurig will remain as primary counsel on these
19 matters for Spirit, the Receiver has engaged the services of Lewis Roca Rothgerber Christie (“Lewis
20 Roca”) to handle certain limited matters and to act as outside conflicts counsel to address other matters
21 that may arise in which Greenberg Traurig is not representing the receivership estate. Pursuant to NRS
22 696B.290(6)-(7), the Receiver is advising the Court of the same and including as Exhibit A hereto, a
23 copy of the rates for the Lewis Roca firm. The Receiver will continue to update the Court regarding
24 action taken by the Lewis Roca firm in subsequent status reports as set forth in NRS 696B.290(6)-(7).

25 The Receiver has continued to receive notice from time to time of lawsuits filed against Spirit in
26 violation of the Court’s Permanent Receivership Order. The Receiver will continue its established
27 procedure of writing to the parties involved to inform them of the injunctions of the Permanent
28 Receivership Order, and to request a voluntary dismissal of Spirit from the matter. Thus far, the majority

1 of counsel have been amenable to such requests. In limited cases and only when absolutely necessary,
2 the Receiver will engage outside counsel to address ongoing or repeated violations of this Court's orders.

3 Additionally, the Receiver has responded to arbitration notices to advise of Spirit's inability to
4 participate. Recently, an arbitration decision was entered in spite of the Receiver's previous notices to
5 the parties involved (including the arbitration company) – the decision was immediately cancelled after
6 the Receiver sent a reminder of the permanent injunction to the arbitrator.

7 The Receiver has been required to engage local outside counsel Frost Brown Todd in a Kentucky
8 matter where a plaintiff's attorney refused to dismiss Spirit as a defendant, even after numerous warnings
9 that he is in violation of the Receivership Court's orders. CTC and other entities that had a relationship
10 with Spirit were named as co-defendants in that matter. After extensive briefing by the parties in this
11 matter, the federal proceeding was stayed pending the outcome of Spirit's liquidation.⁴ As an added
12 precaution to ensure that the Nevada order is given the full faith and credit it is due,⁵ the Permanent
13 Receivership Order was domesticated in Kentucky. The other parties in this Kentucky claims case matter
14 are working to reach a settlement, but Spirit is not a party to the settlement and has advised that it cannot
15 participate in the settlement due to its status in liquidation and the permanent injunctions put in place by
16 the Permanent Receivership Order.

17 **C. Records**

18 The Receiver has made efforts to secure Spirit's electronic records from third parties. The
19 Receiver will continue with the evaluation of the Company and will continue gathering the Company's
20 records and data. This process will remain ongoing as the Receiver continues to identify parties that
21 may have information or records that will assist in carrying out the liquidation of Spirit. The recovery
22 of Spirit's complete records from third parties remains incomplete.

26 ⁴ The federal court exercised the discretion afforded to it by *Burford v. Sun Oil Co.*, 319 U. S. 315 (1943), to stay
27 the plaintiff's claim against Spirit pending resolution of this liquidation proceeding.

28 ⁵ The majority of states give effect to the insurance receivership orders and stays of "reciprocal states" (*i.e.*, states
that have enacted a comprehensive legislative framework, typically based on model laws, for insurance company
receiverships). Kentucky and Nevada are reciprocal states.

D. Asset Recovery Litigation

On February 6, 2020, the Receiver filed an asset recovery lawsuit against a number of parties, including Thomas Mulligan, CTC, Criterion, Spirit's former directors and officers, various other former vendors of Spirit, and various other related persons and entities ("Asset Recovery Lawsuit"). The Asset Recovery Lawsuit was filed in the Eighth Judicial District Court of Clark County, Nevada, and assigned Case No. A-20-809963-B. Excerpts from the Asset Recovery Lawsuit are included below to illustrate the nature of the Receiver's complaint are as follows:

1. This complaint arises out of a vast fraudulent enterprise orchestrated by Defendant Thomas Mulligan and others, by which the Defendants operated a multitude of interrelated companies in the insurance service industry for their own benefit and to the detriment of their customers and insureds, including Spirit.
2. Through a web of interrelated companies that wrote insurance policies, provided so-called financing for insureds wishing to purchase insurance, processed insurance premiums, and/or adjusted and paid insurance claims, and collected Spirit's assets (the "Mulligan Enterprise"), Mulligan and his confederates siphoned millions of dollars from Spirit.
3. While Mulligan was the primary architect of his Enterprise, Defendant Pavel Kapelnikov participated heavily in the design and implementation of the scheme and assisted with perpetuating the fraud through his ownership and control of Mulligan Enterprise entities, including a key Spirit services provider, which breached its obligations to Spirit. Mulligan and Pavel Kapelnikov used the many moving pieces of the Mulligan Enterprise to ensure that the entities they owned and controlled enjoyed preferential treatment as creditors by hiding the true and dismal financial condition of Spirit to prolong its operations while they continued to arrogate funds to themselves with a corresponding detriment to Spirit, its policy holders, and its other non-insider creditors.
4. As a result of this scheme, Spirit – an insurance company that insured trucking companies – became financially insolvent and was placed into permanent

1 receivership and subsequently into liquidation, leaving hundreds of unpaid claims
2 and a host of creditors. This complaint seeks to recover, on behalf of Spirit and those
3 affected, the tens of millions of dollars that are owed to Spirit from its principal
4 Mulligan and his cohorts and/or the companies over which he exercised interest
5 and/or control, including companies that were contracted to provide services to Spirit
6 that absconded with virtually all of Spirit's assets and third-party companies to which
7 Spirit's funds were siphoned.

8 On March 27, 2020, an answer was filed on behalf of certain Defendants, along with a demand
9 for jury trial: Pavel Kapelnikov, Chelsea Financial Group, Inc.,⁶ Global Forwarding Enterprises, LLC,
10 Kapa Management Consulting, Inc., and Kapa Ventures, Inc. The following Defendants have also filed
11 answers to the suit: Brenda Guffey, ICAP Management Solutions, LLC, Daniel George, Lexicon
12 Insurance Management, LLC, James Marx, Igor and Yanina Kapelnikov (along with a demand for jury
13 trial), and Carlos and Virginia Torres. A default judgment was entered on April 24, 2020, against Global
14 Capital Group, LLC, after no answer or other appearance was filed. A three-day Notice of Intent to Take
15 Default Upon Defendant John S. Maloney was filed on May 1, 2020. On May 13, 2020, Defendant John
16 Maloney filed an Answer. On May 14, 2020, an Answer was filed by Defendant Thomas Mulligan.
17 Also, on May 14, 2020, an Answer was filed by Six Eleven, LLC, Quote My Rig, LLC, New Tech
18 Capital, LLC, 195 Gluten Free, LLC, 10-4 Preferred Risk Managers, LLC, Ironjab, LLC, Fourgorean
19 Capital, LLC, and Chelsea Holding Company, LLC. On May 21, 2020, a default judgment was entered
20 against Chelsea Holdings, LLC⁷ and Chelsea Financial Group, Inc. However, on June 4, 2020, a
21 Stipulation and Order was entered to set aside the default judgment against Chelsea Financial Group,
22 Inc. On June 10, 2020, Chelsea Financial Group, Inc. filed its answer to the Complaint. On August 24,
23 2020, Matthew Simon filed an Answer. On August 26, 2020, Scott McCrae filed an Answer.

24
25 _____
26 ⁶ Both the California and New Jersey corporations.

27 ⁷ Thomas Mulligan has attested that he is a member of defendant Chelsea Holdings Company, LLC, but is not
28 affiliated or associated in any way with Chelsea Holdings, LLC. Counsel located the real member of Chelsea Holdings, LLC,
and the Secretary of State filings have been corrected. Chelsea Holdings, LLC, was voluntarily dismissed without prejudice
from this matter on December 21, 2020.

1 On May 14, 2020, CTC⁸ and Criterion Claim Solutions of Omaha, Inc. each filed Motions to
2 Compel Arbitration of the claims asserted by the Receiver in her asset recovery lawsuit. On June 4,
3 2020, the Receiver filed her Oppositions to Criterion's and to the CTC Defendants' Motions to Compel
4 Arbitration. On June 11, 2020, CTC and Criterion Claim Solutions of Omaha, Inc. each filed a Reply in
5 Support of their Motion to Compel Arbitration.

6 On May 14, 2020, Defendants Scott McCrae and Matthew Simon filed a Motion to Dismiss the
7 Complaint. On June 4, 2020, the Receiver filed her Opposition to Defendants Scott McCrae and
8 Matthew Simon, Jr.'s Motion to Dismiss. On June 11, 2020, Defendants Scott McCrae and Matthew
9 Simon filed a Reply in Support of their Motion to Dismiss Plaintiff's Complaint. On June 15, 2020, a
10 Minute Order was issued by Judge Mark R. Denton ruling that due to the ongoing Coronavirus situation,
11 the matter was deemed submitted on the briefs and under advisement (*i.e.*, to be decided without a
12 hearing).

13 On July 6, 2020, Judge Denton granted Criterion's Motion to Compel Arbitration, and ruled that
14 it would dismiss the action without prejudice. However, the Court was not persuaded by Criterion's
15 contention that the Receiver's positions are frivolous, and it thus denied Defendant's request for
16 attorneys' fees. The Order was entered on July 22, 2020. On August 5, 2020, the Receiver filed her
17 Motion for Reconsideration of the Court's July 22, 2020, Order Regarding Criterion Claim Solutions of
18 Omaha Inc.'s Motion to Compel Arbitration; Criterion filed its Opposition to the Receiver's Motion on
19 August 19, 2020. A hearing was set for September 8, 2020. On September 29, 2020, the Court denied
20 the Receiver's Motion for Reconsideration of the Court's July 22, 2020, Order Regarding Criterion
21 Claim Solutions of Omaha Inc.'s Motion to Compel Arbitration. On April 1, 2021, the Receiver filed a
22 Petition for Writ of Mandamus in the Nevada Supreme Court regarding, *inter alia*, the Court's July 22,
23 2020, Order Granting Criterion Claim Solution's Motion to Compel Arbitration.

24 On July 6, 2020, Judge Denton also granted the CTC Defendants' Motion to Compel Arbitration
25 – the Order was entered July 17, 2020. Finally, on July 6, 2020, the Court granted in part and denied in
26 part Defendants Scott McCrae and Matthew Simon, Jr.'s Motion to Dismiss. The order was entered on
27

28 ⁸ Here, "CTC" refers to Defendants CTC Transportation Insurance Services of Missouri LLC; CTC Transportation Insurance Services, LLC; and CTC Transportation Insurance Services of Hawaii LLC.

1 August 10, 2020. On July 30, 2020, the Receiver filed a Motion for Reconsideration and/or Clarification
2 of the Court's July 17, 2020, Order Regarding CTC Defendants' Motion to Compel Arbitration. On
3 August 13, 2020, the CTC Defendants filed their Opposition to the Receiver's Motion for
4 Reconsideration. On August 24, 2020, the Receiver filed her Reply in Support of the Motion for
5 Reconsideration and/or Clarification of the Court's July 17, 2020, Order. A hearing of the Receiver's
6 Motion for Reconsideration was set for August 31, 2020, but was vacated and deemed submitted on the
7 briefs and under advisement. On September 16, 2020, the Court denied the Receiver's Motion for
8 Reconsideration and/or Clarification of the Court's July 17, 2020, Order Regarding CTC Defendants'
9 Motion to Compel Arbitration. On April 1, 2021, the Receiver filed a Petition for Writ of Mandamus in
10 the Nevada Supreme Court regarding, *inter alia*, the Court's July 17, 2020, Order Granting CTC
11 Defendants' Motion to Compel Arbitration.

12 On August 24, 2020, nine of the defendants⁹ filed a Motion to Stay Pending Arbitration.
13 Nineteen additional defendants then filed joinders to the Motion to Stay.¹⁰ On September 11, 2020, the
14 Receiver filed an opposition to the Motion to Stay and joinders thereto. A hearing was held on the
15 Motion to Stay & Opposition thereto via videoconference on September 28, 2020. On October 2, 2020,
16 the Court granted the Motion to Stay Pending Arbitration and the Joinders thereto, "being persuaded by
17 the Motion/Joinders that Plaintiff's claims against the Defendants are so intertwined with those against
18 the parties subject to arbitration that a stay is warranted for the reasons advanced by Defendants." The
19 formal Notice of Entry of Order was entered on November 17, 2020. On April 1, 2021, the Receiver
20

21
22 ⁹ Six Eleven LLC, Quote My Rig, LLC, New Tech Capital, LLC, 195 Gluten Free LLC, 10-4 Preferred Risk
23 Managers, Inc., Ironjab LLC, Fourgorean Capital LLC, Chelsea Holdings Company, LLC ("Chelsea Holdings"), and Chelsea
Financial Group, Inc. (MO) ("Chelsea Financial MO") (collectively, "Six Eleven Defendants").

24 ¹⁰ Brenda Guffey filed a joinder on September 2, 2020. James Marx, John Maloney, Virginia Torres, and Carlos
25 Torres (Marx, Maloney, V. Torres, and C. Torres will be referred to collectively herein as the "Spirit Director Defendants")
26 also filed a joinder on September 2, 2020. On September 3, 2020, Defendants Pavel Kapelnikov, Chelsea Financial Group,
27 Inc. (New Jersey) ("Chelsea Financial New Jersey"), Chelsea Financial Group, Inc. (California) ("Chelsea Financial
28 California"), Global Forwarding Group, Inc. ("Global Forwarding"), Kapa Management Consulting, Inc. ("Kapa
Management"), Kapa Ventures Inc. ("Kapa Ventures"), Igor Kapelnikov, and Yanina Kapelnikov (collectively "Kapelnikov
Group") filed a joinder. Thomas Mulligan also filed a joinder on September 3, 2020. Additionally, on September 3, 2020,
Defendants Lexicon Insurance Management LLC ("Lexicon"), ICAP Management Solutions, LLC ("ICAP") and Daniel
George ("George") collectively ("Lexicon/George Group") filed a joinder. Matthew Simon Jr. and Scott McCrae also filed a
joinder on September
4, 2020.

1 filed a Petition for Writ of Mandamus in the Nevada Supreme Court regarding, *inter alia*, the Court's
2 November 17, 2020, Order Granting the Motion to Stay Pending Arbitration and all Joinders Thereto.

3 On December 31, 2020, QBE Insurance Corporation ("QBE") submitted its Application for
4 Relief from the Permanent Injunction (the "QBE Application") so as to permit QBE to advance defense
5 costs to the individual defendants (*i.e.*, Spirit's former directors and officers) named in Case No: A-20-
6 809963-C. QBE issued a professional liability policy to Spirit for the June 1, 2018 to June 1, 2019 Policy
7 Period. According to the QBE Application, Spirit's former directors and officers have sought coverage
8 for defense and indemnity from QBE in the Asset Recovery lawsuit. Per the QBE Application, "QBE
9 has determined that it is contractually obligated under the Policy to advance certain Defense Costs (as
10 defined) and that these costs will likely exceed the Policy's \$1,500,000 Limit of Liability." QBE is
11 seeking relief from the injunctions within the Permanent Receivership Order, so that it may advance
12 defense costs to the individual defendants. The Receiver previously sent a notice of claim and demand
13 for policy limits to QBE on May 29, 2019. On January 13, 2021, the Receiver filed a Limited Response
14 to Application for Relief from Permanent Injunction, stating *inter alia* that it is the Receiver's belief that
15 the Court is best suited to approve and/or deny QBE's request to proceed as outlined in the QBE
16 Application. A hearing was scheduled for this matter on February 3, 2021. On February 12, 2021, the
17 Court entered its Order Granting Application for Relief from Permanent Injunction.

18 **E. Receivership Assets and Liabilities**

19 The Receiver has been gathering information and evaluating the assets and liabilities of Spirit.
20 A further preliminary liability analysis will be determined after TRISTAR further evaluates claims and
21 an actuary prepares an updated estimate of Spirit's liabilities. Below is an overview of some key assets
22 and liability matters thus far identified by the Receiver.

- 23 1. CTC owes a large balance to Spirit that is at least more than \$40 million and may
24 be much greater after further discovery. The Receiver filed the Asset Recovery
25 Lawsuit seeking the return of this money *inter alia* as detailed above.
- 26 2. The cash and invested assets of the Company were approximately
27 \$42,280,567.41 as of February 28, 2021.

3. Gross Loss and Loss Adjustment Expense and General Liability Losses: The gross loss and loss adjustment amounts will be further evaluated and projected by outside actuaries for Spirit.

4. Other Assets: There is no known tangible personal property or real property owned by the Company.

We are enclosing the consultants and Special Deputy Receiver bill payments since the last status report filed with the Court. Detailed billings are submitted *in camera*, and summaries of such bills are submitted as Exhibit 1 to this report.¹¹ The Receiver is including, as Exhibit 2 attached hereto, a cash flow report for February 2021 reflecting recoveries, disbursements, and cash flow since the receivership began.

///

¹¹ The *in-camera* materials are being submitted in a separate envelope that reflect paid invoices. Certain billings submitted to the Court are appropriate for *in camera* review (as opposed to being made part of a public filing). More particularly, and as discussed in further detail below, certain consultants in this matter will provide expert witness related services. As such, the billing entries relating thereto should be considered confidential and/or otherwise not subject to discovery.

In this regard, courts have held that the bills of legal counsel and experts may be withheld from legal discovery and are not subject to legal disclosure, as this information may provide indications or context concerning potential litigation strategy and the nature of the expert services being provided. *See, e.g., Avnet, Inc. v. Avana Technologies Inc.*, No. 2:13-cv-00929- GMN-PAL, 2014 WL 6882345, at *1 (D. Nev. Dec. 4, 2014) (finding that billing entries were privileged because they reveal a party's strategy and the nature of services provided); *Fed. Sav. & Loan Ins. Corp. v. Ferm*, 909 F.2d 372, 374-75 (9th Cir. 1990) (considering whether or not fee information revealed counsel's mental impressions concerning litigation strategy). Other courts that have addressed this issue have recognized that the "attorney-client privilege embraces attorney time, records and statements to the extent that they reveal litigation strategy and the nature of the services provided." *Real v. Cont'l Grp., Inc.*, 116 F.R.D. 211, 213 (N.D. Cal. 1986).

The *in-camera* review should apply not only to documentation concerning attorney fees, but it also extends to "details of work revealed in [an] expert's work description [which] would relate to tasks for which she [or he] was compensated[.]" a situation which is "analogous to protecting attorney-client privileged information contained in counsel's bills describing work performed." *See DaVita Healthcare Partners, Inc. v. United States*, 128 Fed. Cl. 584, 592-93 (2016); *see also Chaudhry v. Gallerizzo*, 174 F.3d 394, 402 (4th Cir. 1999) (recognizing that "correspondence, bills, ledgers, statements, and time records which also reveal the motive of the client in seeking representation, litigation strategy, or the specific nature of the services provided, such as researching particular areas of law," are protected from disclosure) (quoting *Clarke v. Am. Commerce Nat'l Bank*, 974 F.2d 127, 129 (9th Cir. 1992)).

III.

CONCLUSION

In compliance with this Court's instructions for a status report regarding the affairs of the Company, the Receiver has submitted the aforementioned status report and requests that the Court approve this Ninth Status Report and the actions taken by the Receiver.

DATED this 14th day of April 2021.

Respectfully submitted:

Barbara D. Richardson, Commissioner of Insurance of the State of Nevada, in her Official Capacity as Statutory Receiver of Delinquent Domestic Insurer

By: /s/ CANTILO & BENNETT, L.L.P.
Special Deputy Receiver
By Its Authorized Representative
Mark F. Bennett

MARK E. FERRARIO, ESQ. (SB# 1625)
KARA HENDRICKS, ESQ. (SB# 7743)
TAMI D. COWDEN, ESQ. (SB# 8994)
GREENBERG TRAURIG, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, Nevada 89135

*Counsel for Barbara D. Richardson,
Commissioner of Insurance,
as the Permanent Receiver for Spirit
Commercial Auto Risk Retention Group, Inc.*

CERTIFICATE OF SERVICE

Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8.05, I certify that on this 14th day of April 2021, I caused a true and correct copy of the foregoing *Ninth Status Report* to be e-filed and e-served on the upon the parties all parties registered for e-service. The date and time of the electronic proof of service is in place of the date and place of deposit in the mail.

/s/ Andrea Lee Rosehill

An employee of Greenberg Traurig, LLP

EXHIBIT “A”

LEWIS ROCA
SUMMARY OF AGREED UPON HOURLY RATES

<u>Name</u>	<u>Rate Per Hour (2021)</u>
Dan Polsenberg	\$850
Joel Henriod	\$550
Abraham Smith	\$435
Christopher Jorgensen	\$560
Douglas Gerlach	\$625
Adrienne Brantley-Lomeli	\$335
Matthew Tsai	\$335
Jessica Helm (Paralegal)	\$245
Project Clerk Assistant	\$65-\$105

EXHIBIT “1”

CANTILO & BENNETT, L.L.P.

ATTORNEYS & COUNSELORS
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Comprised of Professional Corporations*

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Facsimile: (512) 404-6550

January 29, 2020

BILL SUMMARY

70731 Spirit Commercial Auto Risk Retention Group

December 1 - December 31, 2020

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
70731	25179- 25183	\$81,657.50	\$ 305.78	\$81,963.28
	Totals (1)	\$81,657.50	\$ 305.78	\$81,963.28

RA000364

Cantilo & Bennett, L.L.P.

**SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP
TIMEKEEPER SUMMARY REPORT
12/1/20 - 12/31/20**

		Billable Hours	Billable Rate	December 2020
1	Timekeeper - Patrick H. Cantilo	0.00	\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	26.75	\$400.00	\$10,700.00
3	Timekeeper - Kristen W. Johnson	51.80	\$300.00	\$15,540.00
4	Timekeeper - Josh O. Lively	77.00	\$200.00	\$15,400.00
5	Timekeeper - Douglas J. Coonfield	93.90	\$200.00	\$18,780.00
6	Timekeeper - Jose M. Rangel	0.00	\$350.00	\$0.00
7	Timekeeper - Arati Bhattacharya	0.00	\$300.00	\$0.00
8	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	98.50	\$125.00	\$12,312.50
10	TimeKeeper - Susan Salch	0.00	\$300.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	71.40	\$125.00	\$8,925.00
	GRAND TOTAL	419.35		\$81,657.50

January 21, 2021
12:30 pm

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	12/31/20	25181	56,035.00	0.00	0.00	56,035.00
70731008 Spirit-Administrative	12/31/20	25182	8,682.50	0.00	0.00	8,682.50
70731100 Spirit-Asset Recovery	12/31/20	25183	16,940.00	0.00	0.00	16,940.00
Totals (3)			81,657.50	0.00	0.00	81,657.50

RA000366

Client ID 70731
Work Date 12/1/20:12/31/2020

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70731003	Spirit - Claims	7.25	2,900.00	0.00	0.00
70731008	Spirit-Administrative	16.25	6,500.00	0.00	0.00
70731100	Spirit-Asset Recovery	3.25	1,300.00	0.00	0.00
	Sub Total (MFB)	26.75	10,700.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70731003	Spirit - Claims	70.50	8,812.50	0.00	0.00
70731008	Spirit-Administrative	0.90	112.50	0.00	0.00
	Sub Total (JLC)	71.40	8,925.00	0.00	0.00*
DRC DOUGLAS R. COONFIELD					
70731003	Spirit - Claims	93.90	18,780.00	0.00	0.00
	Sub Total (DRC)	93.90	18,780.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70731003	Spirit - Claims	44.10	13,230.00	0.00	0.00
70731008	Spirit-Administrative	6.90	2,070.00	0.00	0.00
70731100	Spirit-Asset Recovery	0.80	240.00	0.00	0.00
	Sub Total (KWJ)	51.80	15,540.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
70731100	Spirit-Asset Recovery	77.00	15,400.00	0.00	0.00
	Sub Total (JOL)	77.00	15,400.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70731003	Spirit - Claims	98.50	12,312.50	0.00	0.00
	Sub Total (IXS)	98.50	12,312.50	0.00	0.00*
Grand Total		419.35	81,657.50	0.00	0.00

RA000368

Date 12/01/2020-12/31/2020
Client ID 70731
Staff ID jlc

	Day of Month																															Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
JLC																																
70731003	3.8	3.4	3.8	2.8			1.9	3.9	4.3	3.8	2.4		5.2	5.4	3.8	4.6	3.9											4.5	5.1	4.5	3.4	70.50
70731008			0.3						0.3																							0.90
Sub Total (JLC)	3.8	3.4	4.1	2.8			1.9	3.9	4.6	3.8	2.4		5.2	5.4	3.8	4.6	3.9											4.5	5.1	4.5	3.7	71.40*
Grand Total	3.8	3.4	4.1	2.8	0.0	0.0	1.9	3.9	4.6	3.8	2.4	0.0	5.2	5.4	3.8	4.6	3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5	5.1	4.5	3.7	71.40

Date 12/01/2020:12/31/2020
Client ID 70731
Staff ID drc

	Day of Month																															Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
DRC																																	
70731003	3.3	4.3	5.1	6.0		2.8	7.6	5.6	6.3	8.1	7.7			6.4	3.7	2.3	3.5	3.1		2.8	2.5	1.9					3.3	2.5	3.0	2.1		93.90	
Sub Total (DRC)	3.3	4.3	5.1	6.0		2.8	7.6	5.6	6.3	8.1	7.7			6.4	3.7	2.3	3.5	3.1		2.8	2.5	1.9					3.3	2.5	3.0	2.1		93.90*	
Grand Total	3.3	4.3	5.1	6.0	0.0	2.8	7.6	5.6	6.3	8.1	7.7	0.0	0.0	6.4	3.7	2.3	3.5	3.1	0.0	2.8	2.5	1.9	0.0	0.0	0.0	0.0	0.0	3.3	2.5	3.0	2.1		93.90

Date 12/01/2020:12/31/2020
Client ID 70731
Staff ID kwj

	Day of Month																															Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
KWJ																																
70731003	3.0	3.1	4.0	3.5			3.8	4.0	0.3	4.5	2.5		1.7	2.5	1.8	2.4	1.5					0.1							2.5	2.3	0.6	44.10
70731008	0.3		0.1	0.5			0.5	0.3	0.6				0.2			1.4	0.2					0.5						2.1		0.2	6.90	
70731100		0.8																													0.80	
Sub Total (KWJ)	3.3	3.9	4.1	4.0			3.8	4.5	0.6	5.1	2.5		1.7	2.7	1.8	3.8	1.7				0.6							2.1	2.5	2.5	0.6	51.80*
Grand Total	3.3	3.9	4.1	4.0	0.0	0.0	3.8	4.5	0.6	5.1	2.5	0.0	0.0	1.7	2.7	1.8	3.8	1.7	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0	2.1	2.5	2.5	0.6	51.80

Date 12/01/2020:12/31/2020
Client ID 70731
Staff ID jol

	Day of Month																															Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
JOL																																
70731100			8.0	8.0						8.0	8.0					8.0	8.0					6.5										
Sub Total (JOL)			8.0	8.0						8.0	8.0					8.0	8.0					6.5										
Grand Total	0.0	8.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0	8.0	0.0	0.0	0.0	0.0	8.0	8.0	0.0	0.0	0.0	0.0	6.5	0.0	0.0	0.0	0.0	0.0	0.0	8.0	8.0	6.5	77.00

RA000373

January 21, 2021
12:29 pm

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	12/31/20	25179	0.00	66.06	0.00	66.06
70731008 Spirit-Administrative	12/31/20	25180	0.00	239.72	0.00	239.72
Totals (2)			0.00	305.78	0.00	305.78

RA000374

Work Date 12/01/2020:12/31/2020
Client ID 70731

Staff ID	Cost Code	Units	Amount	Write Down	Total
	MT1E MISCELLANEOUS	0.00	179.92	0.00	179.92
	PO1E POSTAGE	0.00	28.10	0.00	28.10
	TS1A TELEPHONE CHARGES	0.00	97.76	0.00	97.76
	Sub Total ()	0.00	305.78	0.00	305.78
	Grand Total	0.00	305.78	0.00	305.78

CANTILO & BENNETT, L.L.P.
11401 CENTURY OAKS TERRACE
SUITE 300
AUSTIN, TEXAS 78758

Spirit Commercial Auto Risk Retention Group
Alexia M. Emmerman
Chief Insurance Counsel
State of Nevada Division of Insurance
1818 E. College Parkway, Suite 103
Carson City, NV 89706-7986

Invoice Number 25179

January 21, 2021

FILE: 70731003 Spirit - Claims

12/01/20	TELEPHONE CHARGES, NTT, 11/4/2020, KRISTEN JOHNSON, CONFERENCE CALL WITH FTI, GREENBERG TRAURIG AND SDR, RE: COMMUTATION DISCUSSION	33.11
	TELEPHONE CHARGES, NTT, 8/27/2020, KRISTEN JOHNSON, CONFERENCE CALL WITH FTI RE: WESCO-FRONTED POLICIES	4.85
12/31/20	POSTAGE DECEMBER 2020	28.10
	Total Costs	66.06
	Total This Invoice	66.06

Cost Summary

POSTAGE	28.10
TELEPHONE CHARGES	37.96
Total Costs	66.06

01/14/21

RA000376

CANTILO & BENNETT, L.L.P.
11401 CENTURY OAKS TERRACE
SUITE 300
AUSTIN, TEXAS 78758

Spirit Commercial Auto Risk Retention Group
Alexia M. Emmerman
Chief Insurance Counsel
State of Nevada Division of Insurance
1818 E. College Parkway, Suite 103
Carson City, NV 89706-7986

Invoice Number 25180

January 21, 2021

FILE: 70731008 Spirit-Administrative

12/01/20	TELEPHONE CHARGES, NTT, 7/22/2020, KRISTEN JOHNSON. CONFERENCE CALL RE: SPIRIT	12.73
	TELEPHONE CHARGES, NTT, 7/22/2020, KRISTEN JOHNSON, CONFERENCE CALL RE: SPIRIT	6.45
	TELEPHONE CHARGES, NTT, 8/31/2020, MARK BENNETT, CONFERENCE CALL RE: SPIRIT RECEIVERSHIP MATTERS	5.42
	TELEPHONE CHARGES, NTT, 7/27/2020, MARK BENNETT, CONFERENCE CALL RE: SPIRIT RECEIVERSHIP MATTERS	5.42
	TELEPHONE CHARGES, NTT, 7/30/2020, MARK BENNETT, CONFERENCE CALL RE: SPIRIT RECEIVERSHIP MATTERS	12.49
	TELEPHONE CHARGES, NTT, 8/5/2020, KRISTEN JOHNSON CONFERENCE CALL RE: SPIRIT	8.58
	TELEPHONE CHARGES, NTT, 9/2/2020, KRISTEN JOHNSON. CONFERENCE CALL WITH RE: SPIRIT	8.71

RA000377

January 21, 2021
Invoice 25180
70731008 Spirit-Administrative

Page 2

12/03/20	WEB HOSTING: NOVEMBER 1, 2020 - NOVEMBER 30, 2020	41.27
12/31/20	WEB HOSTING: SEPTEMBER 1, 2020 - SEPTEMBER 30, 2020 09/20/2020	41.37
	WEB HOSTING: OCTOBER 1, 2020 - OCTOBER 31, 2020 10/09/2020	41.65
	DRIVE FOR A COPY OF SPIRIT ASPIRE DATABASE 11/06/2020	55.63
	Total Costs	239.72
	Total This Invoice	239.72

Cost Summary

MISCELLANEOUS	179.92
TELEPHONE CHARGES	59.80
Total Costs	239.72

Accounts Receivable Aging

Current	14,128.65
30 Days	0.00
60 Days	0.00
90 Days	0.00
120 Days	0.00

RA000378

CANTILO & BENNETT, L.L.P.

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February 26, 2021

BILL SUMMARY

70731 Spirit Commercial Auto Risk Retention Group

January 1 - January 31, 2020

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
70731	25226- 25229	\$87,406.25	\$ 29.18	\$87,435.43
Totals (1)		\$87,406.25	\$ 29.18	\$87,435.43

RA000379

Cantilo & Bennett, L.L.P.

**SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP
TIMEKEEPER SUMMARY REPORT
1/1/21 - 1/31/21**

		Billable Hours	Billable Rate	January 2021
1	Timekeeper - Patrick H. Cantilo	0.00	\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	36.85	\$400.00	\$14,740.00
3	Timekeeper - Kristen W. Johnson	72.80	\$300.00	\$21,840.00
4	Timekeeper - Josh O. Lively	24.00	\$200.00	\$4,800.00
5	Timekeeper - Douglas J. Coonfield	99.10	\$200.00	\$19,820.00
6	Timekeeper - Jose M. Rangel	0.00	\$350.00	\$0.00
7	Timekeeper - Arati Bhattacharya	0.00	\$300.00	\$0.00
8	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	114.75	\$125.00	\$14,343.75
10	TimeKeeper - Susan Salch	0.00	\$300.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	94.90	\$125.00	\$11,862.50
	GRAND TOTAL	442.40		\$87,406.25

February 23, 2021
9:42 am

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	01/31/21	25229	66,321.25	0.00	0.00	66,321.25
70731008 Spirit-Administrative	01/31/21	25226	13,675.00	0.00	0.00	13,675.00
70731100 Spirit-Asset Recovery	01/31/21	25227	7,410.00	0.00	0.00	7,410.00
Totals (3)			87,406.25	0.00	0.00	87,406.25

RA000381

Client ID 70731
Work Date 1/1/21:01/31/2021

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70731003	Spirit - Claims	10.80	4,320.00	0.00	0.00
70731008	Spirit-Administrative	20.80	8,320.00	0.00	0.00
70731100	Spirit-Asset Recovery	5.25	2,100.00	0.00	0.00
	Sub Total (MFB)	36.85	14,740.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70731003	Spirit - Claims	94.30	11,787.50	0.00	0.00
70731008	Spirit-Administrative	0.60	75.00	0.00	0.00
	Sub Total (JLC)	94.90	11,862.50	0.00	0.00*
DRC DOUGLAS R. COONFIELD					
70731003	Spirit - Claims	99.10	19,820.00	0.00	0.00
	Sub Total (DRC)	99.10	19,820.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70731003	Spirit - Claims	53.50	16,050.00	0.00	0.00
70731008	Spirit-Administrative	17.60	5,280.00	0.00	0.00
70731100	Spirit-Asset Recovery	1.70	510.00	0.00	0.00
	Sub Total (KWJ)	72.80	21,840.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
70731100	Spirit-Asset Recovery	24.00	4,800.00	0.00	0.00
	Sub Total (JOL)	24.00	4,800.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70731003	Spirit - Claims	114.75	14,343.75	0.00	0.00
	Sub Total (IXS)	114.75	14,343.75	0.00	0.00*
Grand Total		442.40	87,406.25	0.00	0.00

Date 01/01/2021:01/31/2021
Client ID 70731
Staff ID mfb

	Day of Month																															Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
MFB																																
70731003				1.3	2.5		1.3					0.8	1.5	0.3				2.3	0.8						0.3							10.80
70731008				1.0	0.5	0.3	1.8	2.3				2.0	2.0	0.5				2.3	0.8	1.3	2.0				0.8	1.5	0.5	1.5				20.80
70731100						0.8						1.0	0.5											1.0				2.0				5.25
Sub Total (MFB)				2.3	3.0	1.1	3.0	2.3				1.8	4.0	2.3	0.5		4.5	1.5	1.3	2.0				2.1	1.5	1.5	1.5	2.5	1.5			36.85*
Grand Total	0.0	0.0	0.0	2.3	3.0	1.1	3.0	2.3	0.0	0.0	0.0	1.8	4.0	2.3	0.5	0.0	4.5	1.5	1.3	2.0	0.0	0.0	0.0	2.1	0.0	1.5	1.5	2.5	1.5	0.0	0.0	36.85

Date 01/01/2021:01/31/2021
Client ID 70731
Staff ID JLC

	Day of Month																															Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
JLC																																
70731003				4.7	4.5	4.7	5.3	4.4		5.2	5.4	5.2	4.9	5.1			5.1	5.3	5.4	4.8				5.2	4.8	4.7	5.3	4.3				94.30
70731008							0.3					0.3																				0.60
Sub Total (JLC)				4.7	4.5	4.7	5.6	4.4		5.2	5.4	5.2	5.2	5.1			5.1	5.3	5.4	4.8				5.2	4.8	4.7	5.3	4.3				94.90*
Grand Total	0.0	0.0	0.0	4.7	4.5	4.7	5.6	4.4	0.0	0.0	5.2	5.4	5.2	5.2	5.1	0.0	0.0	0.0	5.1	5.3	5.4	4.8	0.0	0.0	5.2	4.8	4.7	5.3	4.3	0.0	0.0	94.90

Date 01/01/2021:01/31/2021
Client ID 70731
Staff ID DRC

	Day of Month																															Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
DRC																																
70731003				6.4	3.6	3.8	6.1	6.0		6.2	5.0	5.9	6.4	5.4				3.6	3.9	6.2	5.9			3.6	4.2	6.8	5.4	4.7			99.10	
Sub Total (DRC)				6.4	3.6	3.8	6.1	6.0		6.2	5.0	5.9	6.4	5.4				3.6	3.9	6.2	5.9			3.6	4.2	6.8	5.4	4.7			99.10*	
Grand Total	0.0	0.0	0.0	6.4	3.6	3.8	6.1	6.0	0.0	6.2	5.0	5.9	6.4	5.4	0.0	0.0	0.0	3.6	3.9	6.2	5.9	0.0	0.0	3.6	4.2	6.8	5.4	4.7	0.0	0.0	99.10	

Date 01/01/2021-01/31/2021
Client ID 70731
Staff ID KWJ

	Day of Month																															Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
KWJ																																
70731003	1.6			7.5	3.6	4.0	3.2				3.0	2.4	2.9	3.2	2.0			2.6	1.4	3.4	3.6				0.7	3.3	2.5	2.3	0.3			53.50
70731008				0.1			0.5				3.8	2.3	2.2	2.6				2.7	1.8	0.3					0.3	0.3	0.5	0.5	0.2			17.60
70731100																											0.9	0.8				1.70
Sub Total (KWJ)				7.6	3.6	4.0	3.7			6.8	4.7	5.1	5.8	2.0				5.3	3.2	3.7	3.6				1.0	3.6	3.9	3.1	0.5			72.80*
Grand Total	1.6	0.0	0.0	7.6	3.6	4.0	3.7	0.0	0.0	0.0	6.8	4.7	5.1	5.8	2.0	0.0	0.0	0.0	5.3	3.2	3.7	3.6	0.0	0.0	1.0	3.6	3.9	3.1	0.5	0.0	0.0	72.80

Date 01/01/2021-01/31/2021
Client ID 70731
Staff ID JOL

	Day of Month																															Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
JOL																																	
70731100							8.0						8.0	8.0																			24.00
Sub Total (JOL)							8.0						8.0	8.0																			24.00*
Grand Total	0.0	0.0	0.0	0.0	0.0	0.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.00	

Date 01/01/2021:01/31/2021
Client ID 70731
Staff ID IXS

Day of Month		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total
IXS 70731003					6.0	3.3	6.0	7.0	7.0			6.0	6.0	6.5	6.8	5.3			5.0	6.5	7.0	7.0			6.5	5.5	4.3	6.3	7.0				114.75
	Sub Total (IXS)				6.0	3.3	6.0	7.0	7.0			6.0	6.0	6.5	6.8	5.3			5.0	6.5	7.0	7.0			6.5	5.5	4.3	6.3	7.0				114.75*
Grand Total		0.0	0.0	0.0	6.0	3.3	6.0	7.0	7.0	0.0	0.0	6.0	6.0	6.5	6.8	5.3	0.0	0.0	0.0	5.0	6.5	7.0	7.0	0.0	0.0	6.5	5.5	4.3	6.3	7.0	0.0	0.0	114.75

February 23, 2021
9:40 am

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	01/31/21	25228	0.00	29.18	0.00	29.18
Totals (1)			0.00	29.18	0.00	29.18

RA000389

February 26, 2021
3:46 pm

Cantilo & Bennett, L.L.P.
Timekeeper Costs by Work Code

Work Date 01/01/2021:01/31/2021
Client ID 70731

Staff ID	Cost Code	Units	Amount	Write Down	Total
	MT1A MISCELLANEOUS	0.00	3.50	0.00	3.50
	PO1E POSTAGE	0.00	25.68	0.00	25.68
	Sub Total ()	0.00	29.18	0.00	29.18
	Grand Total	0.00	29.18	0.00	29.18

CANTILO & BENNETT, L.L.P.
11401 CENTURY OAKS TERRACE
SUITE 300
AUSTIN, TEXAS 78758

Spirit Commercial Auto Risk Retention Group
Alexia M. Emmerman
Chief Insurance Counsel
State of Nevada Division of Insurance
1818 E. College Parkway, Suite 103
Carson City, NV 89706-7986

Invoice Number 25228

February 23, 2021

FILE: 70731003 Spirit - Claims

01/21/21	MISCELLANEOUS, PACER SERVICE CENTER FOR 10/01/2020 - 12/31/2020	3.50
01/31/21	POSTAGE JANUARY 2021	25.68
	Total Costs	29.18
	Total This Invoice	29.18

Cost Summary

MISCELLANEOUS	3.50
POSTAGE	25.68
Total Costs	29.18

01/21/21	Previous Balance	101,912.76
01/21/21	Payment	-45,811.70
	Total This Invoice	29.18
	<u>New Balance</u>	<u>56,130.24</u>

Accounts Receivable Aging	
Current	29.18
30 Days	56,101.06
60 Days	0.00
90 Days	0.00
120 Days	0.00

RA000391

11401 Century Oaks Terrace
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PALOMAR FINANCIAL, LC

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Toll Free (877) 309-7105
www.palomarfin.com

January 15, 2021

BILL SUMMARY

70731 Spirit Commercial Auto RRG, Inc. ("Spirit")

December 1, 2020 – December 31, 2020

Matter No. and Description	Fees	Costs	Total
December 2020 Non-IT Services	\$8,840.00	\$0.00	\$8,840.00
December 2020 IT Services Flat Fee	2,000.00	0.00	2,000.00
Totals (1)	\$10,840.00	\$0.00	\$10,840.00

RA000392

Palomar Financial, LC
SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD DECEMBER 2020

		Billable Hours	Billable Rate	December 2020 Billing
1	TIME KEEPER - Nicole Wilkins	4.55	\$250.00	\$1,137.50
2	TIME KEEPER - Robert Stebel	36.70	\$175.00	\$6,422.50
3	TIME KEEPER - Kelly Reed	0.75	\$160.00	\$120.00
4	TIME KEEPER - Neda Khalaf	0.00	\$175.00	\$0.00
5	TIME KEEPER - Brent Andrews	0.00	\$175.00	\$0.00
6	TIME KEEPER - Mary Noel	7.25	\$160.00	\$1,160.00
	GRAND TOTAL	49.25		\$8,840.00

Palomar Financial, LC
12/01/2020-12/31/2020
Client: Spirit Commercial Auto Risk Retention Group, Inc. ("SPIRIT")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Financial Statement Preparation/Planning	0.20	\$ 50.00
		Accounting Reports/Receivership Team Support	1.00	\$ 250.00
		General Ledger Accounting	0.80	\$ 200.00
		Investment Accounting/Support	0.20	\$ 50.00
		Accounts Payable and Receivable	2.15	\$ 537.50
		Taxes and Tax Planning	0.20	\$ 50.00
		Sub Total (NMW)	4.55	\$ 1,137.50
RNS	Robert Stebel	Financial Statement Preparation/Planning	21.90	\$ 3,832.50
		General Ledger Accounting	0.95	\$ 166.25
		Receivership Administration	2.40	\$ 420.00
		Investment Accounting/Support	0.35	\$ 61.25
		Bank Account Administration/Reconciliation	1.90	\$ 332.50
		Taxes & Tax Planning	9.20	\$ 1,610.00
		Sub Total (RNS)	36.70	\$ 6,422.50
KJR	Kelly Reed	Bank Account Administration/Reconciliation	0.75	\$ 120.00
		Sub Total (KJR)	0.75	\$ 120.00
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	0.00	\$ -
		Sub Total (NK)	0.00	\$ -
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Accounting Reports/Receivership Team Support	1.00	\$ 160.00
		Receivership Administration	0.25	\$ 40.00
		Accounts Payable and Receivable	6.00	\$ 960.00
		Sub Total (MFN)	7.25	\$ 1,160.00
Grand Total			49.25	\$ 8,840.00

11401 Century Oaks Terrace
Suite 310
Austin, Texas 78758



PALOMAR FINANCIAL, LC

Telephone (512) 404-6555
Facsimile (512) 404-6530
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February 22, 2021

BILL SUMMARY

70731 Spirit Commercial Auto RRG, Inc. ("Spirit")

January 1, 2021 – January 31, 2021

Matter No. and Description	Fees	Costs	Total
January 2021 Non-IT Services	\$7,591.25	\$0.00	\$7,591.25
January 2021 IT Services Flat Fee	2,000.00	0.00	2,000.00
Totals (1)	\$9,591.25	\$0.00	\$9,591.25

RA000395

Palomar Financial, LC
SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD JANUARY 2021

		Billable Hours	Billable Rate	January 2021 Billing
1	TIME KEEPER - Nicole Wilkins	6.85	\$250.00	\$1,712.50
2	TIME KEEPER - Robert Stebel	24.45	\$175.00	\$4,278.75
3	TIME KEEPER - Kelly Reed	1.25	\$160.00	\$200.00
4	TIME KEEPER - Neda Khalaf	0.00	\$175.00	\$0.00
5	TIME KEEPER - Brent Andrews	0.00	\$175.00	\$0.00
6	TIME KEEPER - Mary Noel	8.75	\$160.00	\$1,400.00
	GRAND TOTAL	41.30		\$7,591.25

Palomar Financial, LC
1/01/2021-1/31/2021
Client: Spirit Commercial Auto Risk Retention Group, Inc. ("SPIRIT")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	3.75	\$ 937.50
		Investment Accounting/Support	0.50	\$ 125.00
		Accounts Payable and Receivable	1.40	\$ 350.00
		Taxes and Tax Planning	0.20	\$ 50.00
		Actuarial Matters	1.00	\$ 250.00
		Sub Total (NMW)	6.85	\$ 1,712.50
RNS	Robert Stebel	General Ledger Accounting	0.60	\$ 105.00
		Receivership Administration	1.25	\$ 218.75
		Taxes & Tax Planning	22.60	\$ 3,955.00
		Sub Total (RNS)	24.45	\$ 4,278.75
KJR	Kelly Reed	Bank Account Administration/Reconciliation	1.25	\$ 200.00
		Sub Total (KJR)	1.25	\$ 200.00
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	0.00	\$ -
		Sub Total (NK)	0.00	\$ -
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Accounting Reports/Receivership Team Support	4.25	\$ 680.00
		Investment Accounting/Support	0.25	\$ 40.00
		Accounts Payable and Receivable	1.50	\$ 240.00
		1099 Reports and Administration	2.75	\$ 440.00
		Sub Total (MFN)	8.75	\$ 1,400.00
Grand Total			41.30	\$ 7,591.25

11401 Century Oaks Terrace
Suite 310
Austin, Texas 78758



PALOMAR FINANCIAL, LC

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www.palomarfin.com

March 16, 2021

BILL SUMMARY

70731 Spirit Commercial Auto RRG, Inc. ("Spirit")

February 1, 2021 – February 28, 2021

Matter No. and Description	Fees	Costs	Total
February 2021 Non-IT Services	\$6,987.50	\$0.00	\$6,987.50
February 2021 IT Services Flat Fee	2,000.00	0.00	2,000.00
Totals (1)	\$8,987.50	\$0.00	\$8,987.50

RA000398

Palomar Financial, LC
SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD FEBRUARY 2021

		Billable Hours	Billable Rate	February 2021 Billing
1	TIME KEEPER - Nicole Wilkins	5.05	\$250.00	\$1,262.50
2	TIME KEEPER - Robert Stebel	28.60	\$175.00	\$5,005.00
3	TIME KEEPER - Kelly Reed	1.50	\$160.00	\$240.00
4	TIME KEEPER - Neda Khalaf	0.00	\$175.00	\$0.00
5	TIME KEEPER - Brent Andrews	0.00	\$175.00	\$0.00
6	TIME KEEPER - Mary Noel	3.00	\$160.00	\$480.00
	GRAND TOTAL	38.15		\$6,987.50

Palomar Financial, LC
02/01/2021-02/28/2021
Client: Spirit Commercial Auto Risk Retention Group, Inc. ("SPIRIT")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Financial Statement Preparation/Planning	0.50	\$ 125.00
		Accounting Reports/Receivership Team Support	0.50	\$ 125.00
		Investment Accounting/Support	0.40	\$ 100.00
		Accounts Payable and Receivable	1.40	\$ 350.00
		Taxes and Tax Planning	1.75	\$ 437.50
		Actuarial Matters	0.50	\$ 125.00
		Sub Total (NMW)	5.05	\$ 1,262.50
RNS	Robert Stebel	Financial Statement Preparation/Planning	7.85	\$ 1,373.75
		General Ledger Accounting	3.50	\$ 612.50
		Receivership Administration	1.45	\$ 253.75
		Taxes & Tax Planning	15.20	\$ 2,660.00
		Actuarial Matters	0.60	\$ 105.00
		Sub Total (RNS)	28.60	\$ 5,005.00
KJR	Kelly Reed	Bank Account Administration/Reconciliation	1.50	\$ 240.00
		Sub Total (KJR)	1.50	\$ 240.00
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	0.00	\$ -
		Sub Total (NK)	0.00	\$ -
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Accounting Reports/Receivership Team Support	0.75	\$ 120.00
		Investment Accounting/Support	0.50	\$ 80.00
		Accounts Payable and Receivable	1.75	\$ 280.00
		Sub Total (MFN)	3.00	\$ 480.00
Grand Total			38.15	\$ 6,987.50



Invoice No.: 5569001
File No. : 183955.010600
Bill Date : January 8, 2021

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: adv/ Kellee Sim

Legal Services through December 31, 2020:

Total Fees: \$ 190.00

Total Current Invoice: \$ 190.00

KBH:TKK
Tax ID: 13-3613083



Invoice No.: 5578146
File No. : 183955.010400
Bill Date : January 20, 2021

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: CTC

Legal Services through December 31, 2020:

Total Fees: \$ 2,122.50

Expenses:

Exhibits 8,274.62
Filing Fees 7.00

Total Expenses: \$ 8,281.62

Total Current Invoice: \$ 10,404.12

KBH:TKK
Tax ID: 13-3613083



Invoice No.: 5578142
File No. : 183955.010100
Bill Date : January 20, 2021

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Spirit Commercial Receivership

Legal Services through December 31, 2020:

Total Fees: \$ 1,520.00

Total Current Invoice: \$ 1,520.00

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5594752
File No. : 183955.010400
Bill Date : February 9, 2021

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: CTC

Legal Services through January 31, 2021:

Total Fees: \$ 15,510.50

Total Current Invoice: \$ 15,510.50

KBH:TKK
Tax ID: 13-3613083



Invoice No.: 5594748
File No. : 183955.010100
Bill Date : February 9, 2021

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Spirit Commercial Receivership

Legal Services through January 31, 2021:

Total Fees: \$ 3,752.50

Expenses:

Filing Fees

7.00

Total Expenses: \$ 7.00

Total Current Invoice: \$ 3,759.50

MEF:TKK

Tax ID: 13-3613083



Invoice No.: 5611037
File No. : 183955.010400
Bill Date : March 4, 2021

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: CTC

Legal Services through February 28, 2021:

Total Fees: \$ 22,415.00

Expenses:

Exhibits

3,732.58

Total Expenses: \$ 3,732.58

Total Current Invoice: \$ 26,147.58

KBH:TKK

Tax ID: 13-3613083



Invoice No.: 5611035
File No. : 183955.010100
Bill Date : March 4, 2021

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Spirit Commercial Receivership

Legal Services through February 28, 2021:

Total Fees: \$ 2,625.00

Total Current Invoice: \$ 2,625.00

MEF:TKK
Tax ID: 13-3613083



P.O. Box 70087
Louisville, KY 40270-0087
(502) 589-5400
Facsimile (502) 581-1087
www.frostbrowntodd.com

Barbara Richardson
c/o Mark Bennett, Esq.
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Fed # 61-0722001
August 25, 2020
Bill # 210151744
Account # 0141877.0719175

RE: Defense in Receivership Action - Spirit RRG

For Professional Services Rendered Through July 31, 2020	\$144.00
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TOTAL THIS BILL:	\$144.00
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P.O. Box 70087
Louisville, KY 40270-0087
(502) 589-5400
Facsimile (502) 581-1087
www.frostbrowntodd.com

Barbara Richardson
c/o Mark Bennett, Esq.
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Fed # 61-0722001
October 28, 2020
Bill # 210165071
Account # 0141877.0719175

RE: Defense in Receivership Action - Spirit RRG

For Professional Services Rendered Through August 31, 2020	91.50
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TOTAL THIS BILL:	91.50
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P.O. Box 70087
Louisville, KY 40270-0087
(502) 589-5400
Facsimile (502) 581-1087
www.frostbrowntodd.com

Barbara Richardson
c/o Mark Bennett, Esq.
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Fed # 61-0722001
October 28, 2020
Bill # 210165072
Account # 0141877.0719175

RE: Defense in Receivership Action - Spirit RRG

For Professional Services Rendered Through September 30, 2020	2,914.50
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TOTAL THIS BILL:	2,914.50
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P.O. Box 70087
Louisville, KY 40270-0087
(502) 589-5400
Facsimile (502) 581-1087
www.frostbrowntodd.com

Barbara Richardson
c/o Mark Bennett, Esq.
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Fed # 61-0722001
November 17, 2020
Bill # 210169583
Account # 0141877.0719175

RE: Defense in Receivership Action - Spirit RRG

For Professional Services Rendered Through October 31, 2020	26,008.50
TOTAL THIS BILL:	26,008.50



P.O. Box 70087
Louisville, KY 40270-0087
(502) 589-5400
Facsimile (502) 581-1087
www.frostbrowntodd.com

Barbara Richardson
c/o Mark Bennett, Esq.
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Fed # 61-0722001
December 16, 2020
Bill # 210176655
Account # 0141877.0719175

RE: Defense in Receivership Action - Spirit RRG

For Professional Services Rendered Through November 30, 2020	12,684.00
TOTAL THIS BILL:	12,684.00



P.O. Box 70087
Louisville, KY 40270-0087
(502) 589-5400
Facsimile (502) 581-1087
www.frostbrowntodd.com

Barbara Richardson
c/o Mark Bennett, Esq.
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Fed # 61-0722001
January 26, 2021
Bill # 210183586
Account # 0141877.0719175

RE: Defense in Receivership Action - Spirit RRG

For Professional Services Rendered Through December 31, 2020	3,085.50
Other Charges Through December 31, 2020	236.14
TOTAL THIS BILL:	3,321.64



P.O. Box 70087
Louisville, KY 40270-0087
(502) 589-5400
Facsimile (502) 581-1087
www.frostbrowntodd.com

Barbara Richardson
c/o Mark Bennett, Esq.
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Fed # 61-0722001
February 23, 2021
Bill # 210189011
Account # 0141877.0719175

RE: Defense in Receivership Action - Spirit RRG

For Professional Services Rendered Through January 31, 2021	8,044.50
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TOTAL THIS BILL:	8,044.50
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Invoice Remittance

Kara Hendricks
Greenberg Traurig, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135
Hendricksk@gtlaw.com
On behalf of: Spirit Commercial Auto Risk Retention

September 15, 2020
FTI Invoice No. 7558442
FTI Job No. 400181.0526
Terms UPON RECEIPT
Federal I.D. No. 52-1261113
Currency: USD

Re: Spirit Reinsurance

Current Invoice Period: Charges Posted through August 31, 2020

Amount Due This Period

Professional Services	\$13,119.00
Expenses	<u>\$0.00</u>
Amount Due this Period.....	\$13,119.00



Invoice Remittance

Kara Hendricks
Greenberg Traurig, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135
Hendricksk@gtlaw.com
On behalf of: Spirit Commercial Auto Risk Retention

October 8, 2020
FTI Invoice No. 7560707
FTI Job No. 400181.0526
Terms UPON RECEIPT
Federal I.D. No. 52-1261113
Currency: USD

Re: Spirit Reinsurance

Current Invoice Period: Charges Posted through September 30, 2020

Amount Due This Period

Professional Services.....	\$7,869.50
Expenses	<u>\$0.00</u>
Amount Due this Period.....	\$7,869.50



Invoice Remittance

Kara Hendricks
Greenberg Traurig, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135
Hendricksk@gtlaw.com
On behalf of: Spirit Commercial Auto Risk Retention

November 10, 2020
FTI Invoice No. 7563823
FTI Job No. 400181.0526
Terms UPON RECEIPT
Federal I.D. No. 52-1261113
Currency: USD

Re: Spirit Reinsurance

Current Invoice Period: Charges Posted through October 31, 2020

Amount Due This Period

Professional Services	\$17,901.00
Expenses	<u>\$0.00</u>
Amount Due this Period.....	\$17,901.00



Invoice Remittance

Kara Hendricks
Greenberg Traurig, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135
Hendricksk@gtlaw.com
On behalf of: Spirit Commercial Auto Risk Retention

December 8, 2020
FTI Invoice No. 7566589
FTI Job No. 400181.0526
Terms UPON RECEIPT
Federal I.D. No. 52-1261113
Currency: USD

Re: Spirit Reinsurance

Current Invoice Period: Charges Posted through November 30, 2020

Amount Due This Period

Professional Services	\$19,350.50
Expenses	<u>\$0.00</u>
Amount Due this Period.....	\$19,350.50



Invoice

1166 Avenue of the Americas
New York, NY 10036

Telephone: (212) 345-8900

Mark Bennett
Counsel
Cantilo & Bennett LLP
11401 Century Oaks Terrace, Suite 300
Austin TX 78758

Number 481010007283
Date 09-Feb-2021
Client CANT48

Remittance Copy

For actuarial consulting services provided to Spirit Commercial Auto Risk Retention Group, Inc. (Spirit) during January of 2021.

		Fees
Sub Total	\$	1,925.00
Total Amount Due	\$	1,925.00



Invoice

1166 Avenue of the Americas
New York, NY 10036

Telephone: (212) 345-8900

Mark Bennett
Counsel
Cantilo & Bennett LLP
11401 Century Oaks Terrace, Suite 300
Austin TX 78758

Number 481010007326
Date 11-Mar-2021
Client CANT48

Remittance Copy

For actuarial consulting services provided to Spirit Commercial Auto Risk Retention Group, Inc. (Spirit) during February of 2021.

		Fees
Sub Total	\$	18,187.50
Total Amount Due	\$	18,187.50



INQUEST RESOURCES
P.O. Box 2202
Austin, TX 78768
Telephone: (512) 380-0993
Fax: (800) 380-6302
www.inquestresources.com

Invoice No. 2559

Invoice Date: 10/01/2020

Net 30

Taxpayer ID#: 45-2971514

To: Mark F. Bennett
Cantilo & Bennett, LLP
Special Deputy Receiver for
Spirit Comercial Auto Risk Retention Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, Texas 78758

For Services rendered
September 1, 2020 to September 30, 2020

INVOICE SUMMARY:

<u>NAME</u>	<u>TITLE</u>	<u>HOURS</u>	<u>RATE PER HR</u>	<u>TOTAL FEE</u>
B. Falligant	Paralegal	6.5	\$85.00	\$552.50
TOTAL FEES:				\$552.50

EXPENSES:

Expense Reimbursement (see attached)	\$0.00
TOTAL EXPENSES:	\$0.00

<u>TOTAL ALL FEES/EXPENSES</u>	\$552.50
---------------------------------------	-----------------

Please remit payment within 30 days to Inquest Resources at the address above and include invoice number.

RA000421

EXHIBIT “2”

SPRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.

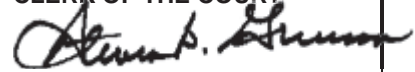
Cash Flow Analysis

March 2019 - February 2021

Sources & Uses

Beginning Receivership Cash as of February 28, 2019	\$	7,789,129
POST-RECEIVERSHIP SOURCE RECOVERIES:		
Premium Revenue		596,095
Premium Tax Refunds		138,503
Return of Premium from Accredited		34,436,138
Salvage and Subrogation Recoveries		272,364
New Tech Capital		110,378
Interest and Dividends		3,967,785
Other		134,460
TOTAL POST-RECEIVERSHIP SOURCE RECOVERIES:		39,655,723
USES POST RECEIVERSHIP:		
Other Admin		(2,422,996)
Professional Services		(2,741,289)
TOTAL USES POST RECEIVERSHIP:		(5,164,284)
Net cash increase for period		34,491,438
Ending Cash as of February 28, 2021	\$	42,280,567

TAB 13



SR

MARK E. FERRARIO, Bar No. 1625
KARA B. HENDRICKS, Bar No. 7743
TAMI D. COWDEN, Bar No. 8994
GREENBERG TRAURIG, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135
Telephone: (702) 792-3773
Facsimile: (702) 792-9002
Email: ferrariom@gtlaw.com
hendricksk@gtlaw.com
cowdent@gtlaw.com

Attorneys for the Plaintiff

IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

CLARK COUNTY, NEVADA

STATE OF NEVADA, EX REL. COMMISSIONER
OF INSURANCE, IN HER OFFICIAL CAPACITY
AS STATUTORY RECEIVER FOR DELINQUENT
DOMESTIC INSURER,

Plaintiff,

vs.

SPIRIT COMMERCIAL AUTO RISK RETENTION
GROUP, INC., a Nevada Domiciled Association
Captive Insurance Company,

Defendant.

Case No. A-19-787325-B
Dept. No. 27

TENTH STATUS REPORT

COMES NOW, Commissioner of Insurance and Receiver, Barbara D. Richardson, and CANTILO & BENNETT, L.L.P., Special Deputy Receiver ("SDR"), and files this Tenth Status Report in the above-captioned receivership. In accordance with the orders of this Court and the Nevada Revised Statutes ("NRS") Chapter 696B, the Receiver makes this "true report[s] in summary form of the insurer's affairs under the receivership and of progress being made in accomplishing the objectives of the receivership." NRS 696B.290(7).

I.

INTRODUCTION

Spirit Commercial Auto Risk Retention Group, Inc. (“Spirit” or the “Company”) is an association captive insurance company organized under the insurance laws of Nevada and the Liability Risk Retention Act of 1986. Spirit received its Certificate of Authority on February 24, 2012, and operates under the authority of NRS Chapter 694C. Spirit transacted commercial auto liability insurance business. Within that line, Spirit specialized in serving commercial truck owners.

Pursuant to NRS 679A.160, Spirit is subject to Nevada laws in Chapters 694C and 695E that pertain to captive insurers (as “captive insurer” is defined in NRS 694C.060) and risk retention groups (as “risk retention group” is defined in NRS 695E.110) that have a Certificate of Authority from the Division. Spirit is considered an association captive insurer (as “association captive insurer” is defined in NRS 694C.050). As a risk retention group (“RRG”), Spirit is subject to the Federal Liability Risk Retention Act of 1986. RRGs domiciled in Nevada do not participate in the Nevada Guaranty Association. Pursuant to NRS 695E.140(1)(a), Spirit is also subject to all laws that pertain to traditional liability insurers (with exceptions given in Bulletin 14-008).

As discussed in the Receiver’s First Status Report, Spirit is part of an Insurance Holding Company System and in large part it only did business with other members of that system. CTC Transportation Insurance Services of Missouri, LLC (“CTC”), with offices in Missouri, New Jersey, and California, served as the program administrator and managing general agent for Spirit. Criterion Claims Solutions of Omaha, Inc. (“Criterion”) was the third-party claims administrator for Spirit. Lexicon Insurance Management LLC was the captive manager for the company (after Risk Services initially served in that role through circa July 2018). Chelsea Financial Group, Inc. provided premium financing services for the majority of Spirit’s policies. The company 10-4 Risk Management provided risk management and loss run services. The owner or ultimate controlling person for each of these entities is or was Thomas Mulligan.¹ All of these companies were taking a portion of the premium dollars from Spirit-issued policies.

¹ See Schedule Y: Part 1A, to the Company’s 2018 Annual Statement, the “Detail of Insurance Holding Company System” (the Receiver’s First Status Report, Ex. B).

1 The Commissioner initially filed her first petition to put the Company into receivership on
2 January 11, 2019, and her efforts to protect the policyholders and other creditors of the estate were
3 contested vigorously by the Company. On February 27, 2019, this Court entered its Permanent
4 Receivership Order. Barbara D. Richardson, Commissioner of Insurance (“Commissioner”), in her
5 capacity as Receiver for Spirit appointed the firm of CANTILO & BENNETT, L.L.P. as the Special Deputy
6 Receiver of the Companies. The “Receiver” and “Special Deputy Receiver” are referred to collectively
7 herein as the “Receiver.”

8 In brief, the Permanent Receivership Order established the following key points for the Spirit
9 receivership:

- 10 1) that the Company’s in-force insurance policies are to be canceled effective on the earlier
11 of April 15, 2019, or the date when the insured ceased making premium payments to
12 Spirit;
- 13 2) that the Receiver may impose a full suspension on all disbursements owed by Spirit,
14 including insurance policy disbursements, and costs related to the defense or adjudication
15 of insurance policy claims;
- 16 3) that the receivership court has exclusive jurisdiction over all matters pertaining to Spirit
17 and all persons are enjoined from commencing, bringing, maintaining, or further
18 prosecuting any action at law, suit in equity, arbitration, or special or other proceeding
19 against the Company, Receiver, or Special Deputy Receiver;
- 20 4) that the Receiver is vested with exclusive title both legal and equitable to all of Spirit’s
21 property wherever located, to administer under the general supervisions of the Court;
- 22 5) that the Receiver may change to her own name the name of any of Spirit’s accounts, funds
23 or other property or assets, held with any bank, savings and loan association, other
24 financial institution, or any other person, wherever located, and may withdraw such
25 funds, accounts and other assets from such institutions or take any lesser action necessary
26 for the proper conduct of the receivership; and
- 27 6) that the Receiver is authorized to establish a receivership claims and appeal procedure,
28 for all receivership claims. The receivership claims and appeals procedures shall be used

1 to facilitate the orderly disposition or resolution of claims or controversies involving the
2 receivership or the receivership estate.

3 On September 16, 2019, the Receiver filed a consolidated motion for a Final Order Placing Spirit
4 Commercial Auto Risk Retention Group into Liquidation, and for an Order Setting a Claims Filing
5 Deadline, and Granting Related Relief (the “Consolidated Motion”). The Consolidated Motion was
6 heard and granted on October 24, 2019. On November 6, 2019, the Court entered its Final Order Placing
7 Spirit into Liquidation (the “Liquidation Order”) and its Final Order Setting Claims Filing Deadline for
8 Spirit and Related Relief (“the Claims Order”). The Claims Order established a Claims Filing Deadline,
9 and procedures for filing claims against Spirit. The Liquidation Order also granted the Receiver’s
10 request to formally place Spirit into liquidation effective on November 6, 2019. On September 30, 2020,
11 the Court entered an *Order Extending the Claims Filing Deadline for Spirit Commercial Auto Risk*
12 *Retention Group, Inc.* The Claims Filing Deadline was extended to **May 31, 2021**, and has now expired.

13 II.

14 RECEIVERSHIP ADMINISTRATION

15 A. Notice of Developments in Receivership

16 On August 19, 2019, the Court entered its Order Regarding Motion for Instructions Including
17 Notice Requirements (the “Notice Order”). Future notices about Spirit’s receivership will be provided
18 to interested parties in accordance with the Court’s Notice Order. Interested parties may also monitor
19 the Spirit receivership web site (www.spiritinsure.com) to keep up to date about developments in the
20 receivership.

21 B. Claims Administration and Third-Party Support Services

22 TRISTAR Risk Management (“TRISTAR”) is assisting the Receiver in evaluating the incoming Proofs
23 of Claim (“POC”). The Claims Filing Deadline expired on May 31, 2021. There have been 1,402 POC
24 submissions received to date. This number may increase, as the Receiver is still processing submissions.
25 Numerous submissions were received with a timely postmark stamp, weeks after the deadline had
26 passed—which would seem to indicate a delay in U.S. postal service delivery times.

27 The Receiver is evaluating the claims against the estate and preparing to mail written Notices of
28 Claim Determination to claimants – and these notices will advise claimants of whether their claims are

1 approved (in full or in part) or denied. The Receiver has posted a status update (*i.e.*, advising that POCs
2 are in the process of being evaluated) to the home page of the Spirit receivership web site.

3 The United States has filed a POC in the receivership, asserting the priority of its claims—if any
4 (they are unknown at this time according to the POC)—over and above any other claims against the
5 estate pursuant to 31 U.S. Code § 3713, also known as the government “superpriority” statute. The
6 Receiver sent letters to the United States to provide a reminder that its claim must be complete, non-
7 contingent, and liquidated in amount on or before the May 31, 2021, deadline – and that if no amendment
8 or supplement to the POC was received by that date, the claim would be denied and barred from sharing
9 in the assets of the Spirit estate. No amendment or supplement from the United States has been received
10 as of the date of this report.

11 The policy data of Spirit is held in the Aspire Information System (“Aspire”), which was created
12 by Maple Technologies. The Receiver believes that this system is still of value to the receivership,
13 particularly during the pendency of the POC process and certain litigation matters. The Receiver will
14 regularly review the need for this system.

15 Actuarial firm Oliver Wyman Actuarial Consulting, Inc. (“Oliver Wyman”) has been engaged to
16 prepare actuarial estimates for Spirit’s claims and future losses. Oliver Wyman has completed actuarial
17 estimates for Spirit as of December 31, 2020, which are detailed further in section E (“Actuarial
18 Reports”).

19 Calhoun, Thompson & Matza, L.L.P. is a CPA firm that has been hired by the Receiver to prepare
20 Spirit’s federal and state tax returns.

21 PALOMAR FINANCIAL, LC (“Palomar”) is an affiliated company of the Special Deputy Receiver
22 and performs financial and technical administrative support services for Spirit in receivership—and
23 those services are now being performed by Palomar. Palomar is being used to facilitate the
24 receivership’s administration of financial matters. The Receiver, with assistance from Palomar, has
25 finalized all outstanding premium tax matters for the Company, including tax matters that were left
26 outstanding and overdue by former Spirit leadership at the outset of the Receivership.

27 As the Court is aware, the Receiver has engaged the law firm of Greenberg Traurig LLP
28 (“Greenberg Traurig”), as counsel in this receivership matter. Additionally, as reported in the previous

1 status report, the Receiver has engaged the services of Lewis Roca Rothgerber Christie (“Lewis Roca”)
2 to handle certain limited matters and to act as outside conflicts counsel to address other matters that may
3 arise in which Greenberg Traurig is not representing the receivership estate.

4 The Receiver has continued to receive notice from time to time of lawsuits filed against Spirit in
5 violation of the Court’s Permanent Receivership Order. The Receiver will continue its established
6 procedure of writing to the parties involved to inform them of the injunctions of the Permanent
7 Receivership Order, and to request a voluntary dismissal of Spirit from the matter. Thus far, the majority
8 of counsel have been amenable to such requests. In limited cases and only when absolutely necessary,
9 the Receiver will engage outside counsel to address ongoing or repeated violations of this Court’s orders.

10 It was necessary for the Receiver to engage local outside counsel Frost Brown Todd in a
11 Kentucky matter where a plaintiff’s attorney refused to dismiss Spirit as a defendant in violation of the
12 Permanent Receivership Order. CTC and other entities that had a relationship with Spirit were named
13 as co-defendants in that matter. After extensive briefing by the parties in this matter, the federal
14 proceeding was stayed pending the outcome of Spirit’s liquidation.² Spirit was voluntarily dismissed by
15 the plaintiff on June 3, 2021.

16 **C. Records**

17 The Receiver has made efforts to secure Spirit’s electronic records from third parties. The
18 Receiver will continue with the evaluation of the Company and will continue gathering the Company’s
19 records and data. This process will remain ongoing as the Receiver continues to identify parties that
20 may have information or records that will assist in carrying out the liquidation of Spirit. The recovery
21 of Spirit’s complete records from third parties remains incomplete.

22 **D. Asset Recovery Litigation**

23 On February 6, 2020, the Receiver filed an asset recovery lawsuit against a number of parties,
24 including Thomas Mulligan, CTC, Criterion, Spirit’s former directors and officers, various other former
25 vendors of Spirit, and various other related persons and entities (“Asset Recovery Lawsuit”). The Asset
26 Recovery Lawsuit was filed in the Eighth Judicial District Court of Clark County, Nevada, and assigned

27 _____
28 ² The federal court exercised the discretion afforded to it by *Burford v. Sun Oil Co.*, 319 U. S. 315 (1943), to stay
the plaintiff’s claim against Spirit pending resolution of this liquidation proceeding.

Case No. A-20-809963-B. Excerpts from the Asset Recovery Lawsuit are included below to illustrate the nature of the Receiver's complaint are as follows:

1. This complaint arises out of a vast fraudulent enterprise orchestrated by Defendant Thomas Mulligan and others, by which the Defendants operated a multitude of interrelated companies in the insurance service industry for their own benefit and to the detriment of their customers and insureds, including Spirit.
2. Through a web of interrelated companies that wrote insurance policies, provided so-called financing for insureds wishing to purchase insurance, processed insurance premiums, and/or adjusted and paid insurance claims, and collected Spirit's assets (the "Mulligan Enterprise"), Mulligan and his confederates siphoned millions of dollars from Spirit.
3. While Mulligan was the primary architect of his Enterprise, Defendant Pavel Kapelnikov participated heavily in the design and implementation of the scheme and assisted with perpetuating the fraud through his ownership and control of Mulligan Enterprise entities, including a key Spirit services provider, which breached its obligations to Spirit. Mulligan and Pavel Kapelnikov used the many moving pieces of the Mulligan Enterprise to ensure that the entities they owned and controlled enjoyed preferential treatment as creditors by hiding the true and dismal financial condition of Spirit to prolong its operations while they continued to arrogate funds to themselves with a corresponding detriment to Spirit, its policy holders, and its other non-insider creditors.
4. As a result of this scheme, Spirit – an insurance company that insured trucking companies – became financially insolvent and was placed into permanent receivership and subsequently into liquidation, leaving hundreds of unpaid claims and a host of creditors. This complaint seeks to recover, on behalf of Spirit and those affected, the tens of millions of dollars that are owed to Spirit from its principal Mulligan and his cohorts and/or the companies over which he exercised interest and/or control, including companies that were contracted to provide services to Spirit

1 that absconded with virtually all of Spirit’s assets and third-party companies to which
2 Spirit’s funds were siphoned.

3 On March 27, 2020, an answer was filed on behalf of certain Defendants, along with a demand
4 for jury trial: Pavel Kapelnikov, Chelsea Financial Group, Inc.,³ Global Forwarding Enterprises, LLC,
5 Kapa Management Consulting, Inc., and Kapa Ventures, Inc. The following Defendants have also filed
6 answers to the suit: Brenda Guffey, ICAP Management Solutions, LLC, Daniel George, Lexicon
7 Insurance Management, LLC, James Marx, Igor and Yanina Kapelnikov (along with a demand for jury
8 trial), and Carlos and Virginia Torres. A default judgment was entered on April 24, 2020, against Global
9 Capital Group, LLC, after no answer or other appearance was filed. A three-day Notice of Intent to Take
10 Default Upon Defendant John S. Maloney was filed on May 1, 2020. On May 13, 2020, Defendant John
11 Maloney filed an Answer. On May 14, 2020, an Answer was filed by Defendant Thomas Mulligan.
12 Also, on May 14, 2020, an Answer was filed by Six Eleven, LLC, Quote My Rig, LLC, New Tech
13 Capital, LLC, 195 Gluten Free, LLC, 10-4 Preferred Risk Managers, LLC, Ironjab, LLC, Fourgorean
14 Capital, LLC, and Chelsea Holding Company, LLC. On May 21, 2020, a default judgment was entered
15 against Chelsea Holdings, LLC⁴ and Chelsea Financial Group, Inc. However, on June 4, 2020, a
16 Stipulation and Order was entered to set aside the default judgment against Chelsea Financial Group,
17 Inc. On June 10, 2020, Chelsea Financial Group, Inc. filed its answer to the Complaint. On August 24,
18 2020, Matthew Simon filed an Answer. On August 26, 2020, Scott McCrae filed an Answer.

19 On May 14, 2020, CTC⁵ and Criterion Claim Solutions of Omaha, Inc. each filed Motions to
20 Compel Arbitration of the claims asserted by the Receiver in her asset recovery lawsuit. On June 4,
21 2020, the Receiver filed her Oppositions to Criterion’s and to the CTC Defendants’ Motions to Compel
22 Arbitration. On June 11, 2020, CTC and Criterion Claim Solutions of Omaha, Inc. each filed a Reply in
23 Support of their Motion to Compel Arbitration.

24 _____
25 ³ Both the California and New Jersey corporations.

26 ⁴ Thomas Mulligan has attested that he is a member of defendant Chelsea Holdings Company, LLC, but is not
27 affiliated or associated in any way with Chelsea Holdings, LLC. Counsel located the real member of Chelsea Holdings, LLC,
and the Secretary of State filings have been corrected. Chelsea Holdings, LLC, was voluntarily dismissed without prejudice
from this matter on December 21, 2020.

28 ⁵ Here, “CTC” refers to Defendants CTC Transportation Insurance Services of Missouri LLC; CTC Transportation
Insurance Services, LLC; and CTC Transportation Insurance Services of Hawaii LLC.

1 On May 14, 2020, Defendants Scott McCrae and Matthew Simon filed a Motion to Dismiss the
2 Complaint. On June 4, 2020, the Receiver filed her Opposition to Defendants Scott McCrae and
3 Matthew Simon, Jr.'s Motion to Dismiss. On June 11, 2020, Defendants Scott McCrae and Matthew
4 Simon filed a Reply in Support of their Motion to Dismiss Plaintiff's Complaint. On June 15, 2020, a
5 Minute Order was issued by Judge Mark R. Denton ruling that due to the ongoing Coronavirus situation,
6 the matter was deemed submitted on the briefs and under advisement (*i.e.*, to be decided without a
7 hearing).

8 On July 6, 2020, Judge Denton granted Criterion's Motion to Compel Arbitration, and ruled that
9 it would dismiss the action without prejudice. However, the Court was not persuaded by Criterion's
10 contention that the Receiver's positions are frivolous, and it thus denied Defendant's request for
11 attorneys' fees. The Order was entered on July 22, 2020. On August 5, 2020, the Receiver filed her
12 Motion for Reconsideration of the Court's July 22, 2020, Order Regarding Criterion Claim Solutions of
13 Omaha Inc.'s Motion to Compel Arbitration; Criterion filed its Opposition to the Receiver's Motion on
14 August 19, 2020. A hearing was set for September 8, 2020. On September 29, 2020, the Court denied
15 the Receiver's Motion for Reconsideration of the Court's July 22, 2020, Order Regarding Criterion
16 Claim Solutions of Omaha Inc.'s Motion to Compel Arbitration. On April 1, 2021, the Receiver filed a
17 Petition for Writ of Mandamus in the Nevada Supreme Court regarding, *inter alia*, the Court's July 22,
18 2020, Order Granting Criterion Claim Solution's Motion to Compel Arbitration. The Nevada Supreme
19 Court has not yet ruled on the Petition.

20 On July 6, 2020, Judge Denton also granted the CTC Defendants' Motion to Compel Arbitration
21 – the Order was entered July 17, 2020. Finally, on July 6, 2020, the Court granted in part and denied in
22 part Defendants Scott McCrae and Matthew Simon, Jr.'s Motion to Dismiss. The order was entered on
23 August 10, 2020. On July 30, 2020, the Receiver filed a Motion for Reconsideration and/or Clarification
24 of the Court's July 17, 2020, Order Regarding CTC Defendants' Motion to Compel Arbitration. On
25 August 13, 2020, the CTC Defendants filed their Opposition to the Receiver's Motion for
26 Reconsideration. On August 24, 2020, the Receiver filed her Reply in Support of the Motion for
27 Reconsideration and/or Clarification of the Court's July 17, 2020, Order. A hearing of the Receiver's
28 Motion for Reconsideration was set for August 31, 2020, but was vacated and deemed submitted on the

1 briefs and under advisement. On September 16, 2020, the Court denied the Receiver's Motion for
2 Reconsideration and/or Clarification of the Court's July 17, 2020, Order Regarding CTC Defendants'
3 Motion to Compel Arbitration. On April 1, 2021, the Receiver filed a Petition for Writ of Mandamus in
4 the Nevada Supreme Court regarding, *inter alia*, the Court's July 17, 2020, Order Granting CTC
5 Defendants' Motion to Compel Arbitration. The Nevada Supreme Court has not yet ruled on the Petition.

6 On August 24, 2020, nine of the defendants⁶ filed a Motion to Stay Pending Arbitration.
7 Nineteen additional defendants then filed joinders to the Motion to Stay.⁷ On September 11, 2020, the
8 Receiver filed an opposition to the Motion to Stay and joinders thereto. A hearing was held on the
9 Motion to Stay & Opposition thereto via videoconference on September 28, 2020. On October 2, 2020,
10 the Court granted the Motion to Stay Pending Arbitration and the Joinders thereto, "being persuaded by
11 the Motion/Joinders that Plaintiff's claims against the Defendants are so intertwined with those against
12 the parties subject to arbitration that a stay is warranted for the reasons advanced by Defendants." The
13 formal Notice of Entry of Order was entered on November 17, 2020. On April 1, 2021, the Receiver
14 filed a Petition for Writ of Mandamus in the Nevada Supreme Court regarding, *inter alia*, the Court's
15 November 17, 2020, Order Granting the Motion to Stay Pending Arbitration and all Joinders Thereto.
16 The Nevada Supreme Court has not yet ruled on the Petition.

17 On December 31, 2020, QBE Insurance Corporation ("QBE") submitted its Application for
18 Relief from the Permanent Injunction (the "QBE Application") so as to permit QBE to advance defense
19 costs to the individual defendants (*i.e.*, Spirit's former directors and officers) named in Case No: A-20-
20 809963-C. QBE issued a professional liability policy to Spirit for the June 1, 2018 to June 1, 2019 Policy

21
22 ⁶ Six Eleven LLC, Quote My Rig, LLC, New Tech Capital, LLC, 195 Gluten Free LLC, 10-4 Preferred Risk
23 Managers, Inc., Ironjab LLC, Fourgorean Capital LLC, Chelsea Holdings Company, LLC ("Chelsea Holdings"), and Chelsea
Financial Group, Inc. (MO) ("Chelsea Financial MO") (collectively, "Six Eleven Defendants").

24 ⁷ Brenda Guffey filed a joinder on September 2, 2020. James Marx, John Maloney, Virginia Torres, and Carlos
25 Torres (Marx, Maloney, V. Torres, and C. Torres will be referred to collectively herein as the "Spirit Director Defendants")
26 also filed a joinder on September 2, 2020. On September 3, 2020, Defendants Pavel Kapelnikov, Chelsea Financial Group,
27 Inc. (New Jersey) ("Chelsea Financial New Jersey"), Chelsea Financial Group, Inc. (California) ("Chelsea Financial
28 California"), Global Forwarding Group, Inc. ("Global Forwarding"), Kapa Management Consulting, Inc. ("Kapa
Management"), Kapa Ventures Inc. ("Kapa Ventures"), Igor Kapelnikov, and Yanina Kapelnikov (collectively "Kapelnikov
Group") filed a joinder. Thomas Mulligan also filed a joinder on September 3, 2020. Additionally, on September 3, 2020,
Defendants Lexicon Insurance Management LLC ("Lexicon"), ICAP Management Solutions, LLC ("ICAP") and Daniel
George ("George") collectively ("Lexicon/George Group") filed a joinder. Matthew Simon Jr. and Scott McCrae also filed a
joinder on September
4, 2020.

Period. According to the QBE Application, Spirit's former directors and officers have sought coverage for defense and indemnity from QBE in the Asset Recovery lawsuit. Per the QBE Application, "QBE has determined that it is contractually obligated under the Policy to advance certain Defense Costs (as defined) and that these costs will likely exceed the Policy's \$1,500,000 Limit of Liability." QBE is seeking relief from the injunctions within the Permanent Receivership Order, so that it may advance defense costs to the individual defendants. The Receiver previously sent a notice of claim and demand for policy limits to QBE on May 29, 2019. On January 13, 2021, the Receiver filed a Limited Response to Application for Relief from Permanent Injunction, stating *inter alia* that it is the Receiver's belief that the Court is best suited to approve and/or deny QBE's request to proceed as outlined in the QBE Application. A hearing was scheduled for this matter on February 3, 2021. On February 12, 2021, the Court entered its Order Granting Application for Relief from Permanent Injunction.

E. Actuarial Reports

Oliver Wyman is an actuarial firm that was selected to prepare actuarial estimates for Spirit's claims and future losses. Oliver Wyman has completed its actuarial report for Spirit as of December 31, 2020. The Receiver has finalized the report as of the filing of this Tenth Status Report. The claims data relied on for the report is subject to change because the Receiver is still evaluating claims data, including claims received after December 31, 2020, pursuant to the claims process. The executive summary below reflects the actuarial claim reserve data as of December 31, 2020.

Summary of Net and Direct & Assumed Indicated Reserves (\$000s)

<u>All Accident Years Combined</u>	<u>Case Reserves</u>	<u>IBNR</u>	<u>Total Unpaid Loss & ALAE</u>
Direct & Assumed	\$91,337	\$107,327	\$198,663
Net	\$80,097	\$98,989	\$179,085
Ceded	\$11,240	\$8,338	\$19,578

F. Receivership Assets and Liabilities

The Receiver has been gathering information and evaluating the assets and liabilities of Spirit. A further preliminary liability analysis will be determined after TRISTAR further evaluates claims and

1 an actuary prepares an updated estimate of Spirit's liabilities. Below is an overview of some key assets
2 and liability matters thus far identified by the Receiver.

- 3 1. CTC owes a large balance to Spirit that is at least more than \$40 million and may
4 be much greater after further discovery. The Receiver filed the Asset Recovery
5 Lawsuit seeking the return of this money *inter alia* as detailed above.
- 6 2. The cash and invested assets of the Company were approximately \$41,855,764
7 as of May 31, 2021.
- 8 3. Gross Loss and Loss Adjustment Expense ("LAE") and General Liability Losses:
9 The gross unpaid loss & allocated LAE as of December 31, 2020, are estimated
10 by Oliver Wyman at \$198,663,000.
- 11 4. Other Assets: There is no known tangible personal property or real property
12 owned by the Company.

13 We are enclosing the consultants and Special Deputy Receiver bill payments since the last status
14 report filed with the Court. Detailed billings are submitted *in camera*, and summaries of such bills are
15 submitted as Exhibit 1 to this report.⁸ The Receiver is including, as Exhibit 2 attached hereto, a cash

17 ⁸ The *in-camera* materials are being submitted in a separate envelope that reflect paid invoices. Certain billings
18 submitted to the Court are appropriate for *in camera* review (as opposed to being made part of a public filing). More
19 particularly, and as discussed in further detail below, certain consultants in this matter will provide expert witness related
20 services. As such, the billing entries relating thereto should be considered confidential and/or otherwise not subject to
21 discovery.

22 In this regard, courts have held that the bills of legal counsel and experts may be withheld from legal discovery and
23 are not subject to legal disclosure, as this information may provide indications or context concerning potential litigation
24 strategy and the nature of the expert services being provided. *See, e.g., Avnet, Inc. v. Avana Technologies Inc.*, No. 2:13-cv-
25 00929- GMN-PAL, 2014 WL 6882345, at *1 (D. Nev. Dec. 4, 2014) (finding that billing entries were privileged because
26 they reveal a party's strategy and the nature of services provided); *Fed. Sav. & Loan Ins. Corp. v. Ferm*, 909 F.2d 372, 374-
27 75 (9th Cir. 1990) (considering whether or not fee information revealed counsel's mental impressions concerning litigation
28 strategy). Other courts that have addressed this issue have recognized that the "attorney-client privilege embraces attorney
time, records and statements to the extent that they reveal litigation strategy and the nature of the services provided." *Real v. Cont'l Grp., Inc.*, 116 F.R.D. 211, 213 (N.D. Cal. 1986).

The *in-camera* review should apply not only to documentation concerning attorney fees, but it also extends to
"details of work revealed in [an] expert's work description [which] would relate to tasks for which she [or he] was
compensated[.]" a situation which is "analogous to protecting attorney-client privileged information contained in counsel's
bills describing work performed." *See DaVita Healthcare Partners, Inc. v. United States*, 128 Fed. Cl. 584, 592-93 (2016);
see also Chaudhry v. Gallerizzo, 174 F.3d 394, 402 (4th Cir. 1999) (recognizing that "correspondence, bills, ledgers,
statements, and time records which also reveal the motive of the client in seeking representation, litigation strategy, or the
specific nature of the services provided, such as researching particular areas of law," are protected from disclosure) (quoting
Clarke v. Am. Commerce Nat'l Bank, 974 F.2d 127, 129 (9th Cir. 1992)).

1 flow report for May 2021 reflecting recoveries, disbursements, and cash flow since the receivership
2 began.

3 **III.**

4 **CONCLUSION**

5 In compliance with this Court's instructions for a status report regarding the affairs of the
6 Company, the Receiver has submitted the aforementioned status report and requests that the Court
7 approve this Tenth Status Report and the actions taken by the Receiver.

8 DATED this 7th day of July 2021.

9 Respectfully submitted:

10
11 Barbara D. Richardson, Commissioner of
12 Insurance of the State of Nevada, in her Official
13 Capacity as Statutory Receiver of Delinquent
14 Domestic Insurer

15 By: /s/ CANTILO & BENNETT, L.L.P.
16 Special Deputy Receiver
17 By Its Authorized Representative
18 Mark F. Bennett

19 MARK E. FERRARIO, ESQ. (SB# 1625)
20 KARA HENDRICKS, ESQ. (SB# 7743)
21 TAMI D. COWDEN, ESQ. (SB# 8994)
22 GREENBERG TRAURIG, LLP
23 10845 Griffith Peak Drive, Suite 600
24 Las Vegas, Nevada 89135

25 *Counsel for Barbara D. Richardson,*
26 *Commissioner of Insurance,*
27 *as the Permanent Receiver for Spirit*
28 *Commercial Auto Risk Retention Group, Inc.*

CERTIFICATE OF SERVICE

Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8.05, I certify that on this 7th day of July 2021, I caused a true and correct copy of the foregoing ***Tenth Status Report*** to be e-filed and e-served on the upon the parties all parties registered for e-service. The date and time of the electronic proof of service is in place of the date and place of deposit in the mail.

/s/ Andrea Lee Rosehill

An employee of Greenberg Traurig, LLP

EXHIBIT “1”

CANTILO & BENNETT, L.L.P.

ATTORNEYS & COUNSELORS
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April 13, 2021

BILL SUMMARY

70731 Spirit Commercial Auto Risk Retention Group

February 1 - February 28, 2021

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
70731	25337- 25340	\$57,335.00	\$ 32.82	\$57,367.82
	Totals (1)	\$57,335.00	\$ 32.82	\$57,367.82

RA000439

March 30, 2021
9:02 am

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	02/28/21	25340	46,245.00	0.00	0.00	46,245.00
70731008 Spirit-Administrative	02/28/21	25338	7,940.00	0.00	0.00	7,940.00
70731100 Spirit-Asset Recovery	02/28/21	25339	3,150.00	0.00	0.00	3,150.00
Totals (3)			57,335.00	0.00	0.00	57,335.00

RA000440

April 13, 2021
3:14 pm

Cantilo & Bennett, L.L.P.
Unbilled Timekeeper Work by Matter

Page 1
[pr 3b]

Client ID 70731
Work Date 2/1/21:02/28/2021

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70731003	Spirit - Claims	2.75	1,100.00	0.00	0.00
70731008	Spirit-Administrative	11.45	4,580.00	0.00	0.00
70731100	Spirit-Asset Recovery	5.25	2,100.00	0.00	0.00
	Sub Total (MFB)	19.45	7,780.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70731003	Spirit - Claims	58.70	7,337.50	0.00	0.00
	Sub Total (JLC)	58.70	7,337.50	0.00	0.00*
DRC DOUGLAS R. COONFIELD					
70731003	Spirit - Claims	64.80	12,960.00	0.00	0.00
	Sub Total (DRC)	64.80	12,960.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70731003	Spirit - Claims	44.70	13,410.00	0.00	0.00
70731008	Spirit-Administrative	11.20	3,360.00	0.00	0.00
70731100	Spirit-Asset Recovery	3.50	1,050.00	0.00	0.00
	Sub Total (KWJ)	59.40	17,820.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70731003	Spirit - Claims	91.50	11,437.50	0.00	0.00
	Sub Total (IXS)	91.50	11,437.50	0.00	0.00*
Grand Total		293.85	57,335.00	0.00	0.00

RA000441

Date 02/01/2021:02/28/2021
Client ID 70731
Staff ID mfb

	Day of Month																												Total		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28		1	2
MFB																															
70731003			0.3					1.0										0.5				1.0									2.75
70731008	1.5	0.2	0.3	1.5	0.5				1.0	1.0						1.0							1.3	0.8	2.5						11.45
70731100			0.3						0.5		2.5					1.3										0.8					5.25
Sub Total (MFB)	1.5	0.5	0.5	1.5	0.5			1.0	1.5	1.0	2.5				2.3	0.5					1.0	1.3	0.8	2.5	0.8					19.45*	
Grand Total	1.5	0.5	0.5	1.5	0.5	0.0	0.0	1.0	0.0	1.5	1.0	2.5	0.0	0.0	0.0	2.3	0.0	0.5	0.0	0.0	0.0	1.0	1.3	0.8	2.5	0.8	0.0	0.0	0.0	0.0	19.45

Date 02/01/2021:02/28/2021
Client ID 70731
Staff ID jlc

	Day of Month												Total
	1	2	3	4	5	6	7	8	9	10	11	12	
JLC													
70731003	4.6	4.9	4.7	4.5	4.2			3.8	3.8	5.5	5.2	4.4	58.70
Sub Total (JLC)	4.6	4.9	4.7	4.5	4.2			3.8	3.8	5.5	5.2	4.4	58.70*
Grand Total	4.6	4.9	4.7	4.5	4.2	0.0	0.0	3.8	3.8	5.5	5.2	4.4	58.70

Date 02/01/2021:02/28/2021
Client ID 70731
Staff ID drc

	Day of Month												Total																			
	1	2	3	4	5	6	7	8	9	10	11	12		13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	1	2	3
DRC																																
70731003	3.6	3.8	5.1	4.7	3.3			5.0	4.0	3.5	2.6	1.3						2.9	1.6			3.9	3.9	4.1	5.1	5.3	1.1					64.80
Sub Total (DRC)	3.6	3.8	5.1	4.7	3.3			5.0	4.0	3.5	2.6	1.3						2.9	1.6			3.9	3.9	4.1	5.1	5.3	1.1					64.80*
Grand Total	3.6	3.8	5.1	4.7	3.3	0.0	0.0	5.0	4.0	3.5	2.6	1.3	0.0	0.0	0.0	0.0	0.0	2.9	1.6	0.0	0.0	3.9	3.9	4.1	5.1	5.3	1.1	0.0	0.0	0.0	0.0	64.80

Date 02/01/2021:02/28/2021
Client ID 70731
Staff ID kwj

	Day of Month																												Total		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28		1	2
KWJ																															
70731003	1.8	2.9	2.4	3.0	4.2	2.1		2.6	2.5	6.0	2.0	1.0					0.5	0.2			2.9	4.3	1.5	3.6	0.7	0.5					44.70
70731008	0.3	0.2		1.7	0.5			0.3			0.5	1.2						0.6		0.2	0.1	2.4	0.6	1.0	1.6						11.20
70731100																		1.4		2.1											3.50
Sub Total (KWJ)	2.1	3.1	2.4	4.7	4.7	2.1		2.6	2.8	6.0	2.5	2.2					0.5	2.2		2.3	3.0	6.7	2.1	4.6	2.3	0.5					59.40*
Grand Total	2.1	3.1	2.4	4.7	4.7	2.1	0.0	2.6	2.8	6.0	2.5	2.2	0.0	0.0	0.0	0.0	0.0	0.5	2.2	0.0	2.3	3.0	6.7	2.1	4.6	2.3	0.5	0.0	0.0	0.0	59.40

Date 02/01/2021:02/28/2021
Client ID 70731
Staff ID ixs

	Day of Month																												Total		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28		1	2
IXS																															
70731003	7.0	7.0	5.5		6.8			6.0	5.0	7.0	7.3	7.0									6.5	6.5	7.0	6.0	7.0						91.50
Sub Total (IXS)	7.0	7.0	5.5		6.8			6.0	5.0	7.0	7.3	7.0									6.5	6.5	7.0	6.0	7.0						91.50*
Grand Total	7.0	7.0	5.5	0.0	6.8	0.0	0.0	6.0	5.0	7.0	7.3	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.5	6.5	7.0	6.0	7.0	0.0	0.0	0.0	0.0	0.0	91.50

Staff ID	Cost Code	Units	Amount	Write Down	Total
	PO1E POSTAGE	0.00	32.82	0.00	32.82
	Sub Total ()	0.00	32.82	0.00	32.82
	Grand Total	0.00	32.82	0.00	32.82

March 30, 2021
9:00 am

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter

70731 Spirit Commercial Auto Risk Retention Group
70731003 Spirit - Claims

Date	Inv No	Fees	Costs	Credits	Total
02/28/21	25337	0.00	32.82	0.00	32.82
Totals (1)		0.00	32.82	0.00	32.82

RA000448

CANTILO & BENNETT, L.L.P.

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Facsimile: (512) 404-6550

April 22, 2021

BILL SUMMARY

70731 Spirit Commercial Auto Risk Retention Group

March 1 - March 31, 2021

<u>Matter No. and Description</u>	<u>Invoice Number</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
70731	25385 - 25387 25419 - 25421	\$79,335.00	\$ 326.53	\$79,661.53
Totals (1)		\$79,335.00	\$ 326.53	\$79,661.53

RA000449

Cantilo & Bennett, L.L.P.

SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP
TIMEKEEPER SUMMARY REPORT
3/1/21 - 3/31/21

		Billable Hours	Billable Rate	March 2021
1	Timekeeper - Patrick H. Cantilo	0.00	\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	45.30	\$400.00	\$18,120.00
3	Timekeeper - Kristen W. Johnson	58.90	\$300.00	\$17,670.00
4	Timekeeper - Josh O. Lively	0.00	\$200.00	\$0.00
5	Timekeeper - Douglas J. Coonfield	97.10	\$200.00	\$19,420.00
6	Timekeeper - Jose M. Rangel	0.00	\$350.00	\$0.00
7	Timekeeper - Arati Bhattacharya	0.00	\$300.00	\$0.00
8	Timekeeper - Law Clerks	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	124.00	\$125.00	\$15,500.00
10	TimeKeeper - Susan Salch	0.00	\$300.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	69.00	\$125.00	\$8,625.00
	GRAND TOTAL	394.30		\$79,335.00

Page 1
[pr 1ba]

	Day of Month																															Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
MFB																																
70731003	0.3	0.3							0.5						0.3		1.3	0.5				0.2	1.0				0.3			0.5	0.8	5.75
70731008	0.8	1.0		1.5	0.3		0.3	1.5	0.2	1.5	1.5			1.0	0.8	0.8	0.3	1.3			0.8	1.5	2.0	2.8	0.3	0.3			1.5	1.0	1.0	23.55
70731100	1.8	3.0		2.0			0.5						1.0	1.5			1.5				1.5	2.0			1.3							16.00
Sub Total (MFB)	2.5	3.3	1.3	1.5	2.3		0.8	2.0	0.2	1.5	1.5			2.0	2.6	0.8	1.5	3.3			2.5	4.5	2.0	2.8	1.8	0.3		2.0	1.8	1.0		45.30*
Grand Total	2.5	3.3	1.3	1.5	2.3	0.0	0.8	2.0	0.2	1.5	1.5	0.0	0.0	2.0	2.6	0.8	1.5	3.3	0.0	0.0	2.5	4.5	2.0	2.8	1.8	0.3	0.0	2.0	1.8	1.0		45.30

Date 03/01/2021-03/31/2021
Client ID 70731
Staff ID jlc

	Day of Month																															Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
JLC																																	
70731003	4.8		1.1					4.1	4.3	3.8	5.3	1.6		2.6	3.8	4.9	4.8	1.7			3.6	4.7	3.6	4.6	2.2			2.2	1.2	3.8		68.70	
70731008																	0.3															0.30	
Sub Total (JLC)	4.8		1.1					4.1	4.3	3.8	5.3	1.6		2.6	3.8	4.9	5.1	1.7			3.6	4.7	3.6	4.6	2.2			2.2	1.2	3.8		69.00*	
Grand Total	4.8	0.0	1.1	0.0	0.0	0.0	0.0	4.1	4.3	3.8	5.3	1.6	0.0	0.0	2.6	3.8	4.9	5.1	1.7	0.0	0.0	3.6	4.7	3.6	4.6	2.2	0.0	0.0	2.2	1.2	3.8		69.00

Date 03/01/2021-03/31/2021
Client ID 70731
Staff ID drc

	Day of Month																															Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
DRC																																	
70731003	3.5	2.8	5.3	3.9	6.0			6.7	3.8	5.2	6.3	4.9		5.1	6.0	5.3	5.5	3.5		1.5	1.0	2.1	7.2	5.5				1.3	2.6	2.1		97.10	
Sub Total (DRC)	3.5	2.8	5.3	3.9	6.0			6.7	3.8	5.2	6.3	4.9		5.1	6.0	5.3	5.5	3.5		1.5	1.0	2.1	7.2	5.5				1.3	2.6	2.1		97.10*	
Grand Total	3.5	2.8	5.3	3.9	6.0	0.0	0.0	6.7	3.8	5.2	6.3	4.9	0.0	0.0	5.1	6.0	5.3	5.5	3.5	0.0	0.0	1.5	1.0	2.1	7.2	5.5	0.0	0.0	1.3	2.6	2.1		97.10

Date 03/01/2021:03/31/2021
Client ID 70731
Staff ID kwj

	Day of Month																															Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
KWJ																																
70731003	2.3	2.9	0.4	0.8	1.0	0.8		0.2	4.0	3.4	3.0	3.8		2.7	3.6	2.9	3.8	1.2	0.1	0.7	1.2	0.3	1.0	0.7	0.1		1.0	2.1	3.8		47.80	
70731008	1.0	0.2	0.6	0.7	1.1			0.1				0.1		0.9	1.2	0.1		0.6		0.4	0.4	0.8	0.3							0.5	8.60	
70731100					1.2				0.1										1.3												2.50	
Sub Total (KWJ)	3.3	3.1	1.0	1.5	3.3	0.8		0.2	4.1	3.4	3.0	3.9		3.6	4.8	3.0	3.8	1.8	1.4	1.1	1.2	1.1	1.3	0.7	0.1		1.0	2.1	4.3		58.90*	
Grand Total	3.3	3.1	1.0	1.5	3.3	0.8	0.0	0.2	4.1	3.4	3.0	3.9	0.0	0.0	3.6	4.8	3.0	3.8	1.8	1.4	0.0	1.1	1.2	1.1	1.3	0.7	0.1	0.0	1.0	2.1	4.3	58.90

Date 03/01/2021:03/31/2021
Client ID 70731
Staff ID xs

	Day of Month																															Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
IXS																																
70731003	6.0	6.0	7.0	6.8	2.5		7.0	6.0	7.0	7.0	6.5	6.5		6.5		7.5					4.8	7.0	7.0	7.0	7.0	6.5			4.3	7.0	4.8	124.00
Sub Total (IXS)	6.0	6.0	7.0	6.8	2.5		7.0	6.0	7.0	7.0	6.5	6.5		6.5		7.5					4.8	7.0	7.0	7.0	7.0	6.5		4.3	7.0	4.8	124.00*	
Grand Total	6.0	6.0	7.0	6.8	2.5	0.0	0.0	7.0	6.0	7.0	7.0	6.5	0.0	0.0	6.5	0.0	7.5	0.0	0.0	0.0	4.8	7.0	7.0	7.0	7.0	6.5	0.0	0.0	4.3	7.0	4.8	124.00

April 22, 2021
9:33 am

Cantilo & Bennett, L.L.P.
Unbilled Timekeeper Work by Matter

Page 1
[pr 3b]

Client ID 70731
Work Date 3/1/2021:03/31/2021

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70731003	Spirit - Claims	5.75	2,300.00	0.00	0.00
70731008	Spirit-Administrative	23.55	9,420.00	0.00	0.00
70731100	Spirit-Asset Recovery	16.00	6,400.00	0.00	0.00
	Sub Total (MFB)	45.30	18,120.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70731003	Spirit - Claims	68.70	8,587.50	0.00	0.00
70731008	Spirit-Administrative	0.30	37.50	0.00	0.00
	Sub Total (JLC)	69.00	8,625.00	0.00	0.00*
DRC DOUGLAS R. COONFIELD					
70731003	Spirit - Claims	97.10	19,420.00	0.00	0.00
	Sub Total (DRC)	97.10	19,420.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70731003	Spirit - Claims	47.80	14,340.00	0.00	0.00
70731008	Spirit-Administrative	8.60	2,580.00	0.00	0.00
70731100	Spirit-Asset Recovery	2.50	750.00	0.00	0.00
	Sub Total (KWJ)	58.90	17,670.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70731003	Spirit - Claims	124.00	15,500.00	0.00	0.00
	Sub Total (IXS)	124.00	15,500.00	0.00	0.00*
Grand Total		394.30	79,335.00	0.00	0.00

RA000456

April 20, 2021
10:40 am

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	03/31/21	25419	60,147.50	0.00	0.00	60,147.50
70731008 Spirit-Administrative	03/31/21	25420	12,037.50	0.00	0.00	12,037.50
70731100 Spirit-Asset Recovery	03/31/21	25421	7,150.00	0.00	0.00	7,150.00
Totals (3)			79,335.00	0.00	0.00	79,335.00

RA000457

Work Date 03/01/2021:03/31/2021
Client ID 70731

Staff ID	Cost Code	Units	Amount	Write Down	Total
	FD1A	0.00	48.39	0.00	48.39
	LX1A	0.00	88.05	0.00	88.05
	MT1E	0.00	82.27	0.00	82.27
	PO1E	0.00	107.82	0.00	107.82
	Sub Total ()	0.00	326.53	0.00	326.53
	Grand Total	0.00	326.53	0.00	326.53

April 20, 2021
10:39 am

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70731 Spirit Commercial Auto Risk Retention Group 70731003 Spirit - Claims	03/31/21	25385	0.00	227.47	0.00	227.47
70731008 Spirit-Administrative	03/31/21	25386	0.00	82.78	0.00	82.78
70731100 Spirit-Asset Recovery	03/31/21	25387	0.00	16.28	0.00	16.28
Totals (3)			0.00	326.53	0.00	326.53

RA000459

11401 Century Oaks Terrace
Suite 310
Austin, Texas 78758



PALOMAR FINANCIAL, LC

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Facsimile (512) 404-6530
Toll Free (877) 309-7105
www.palomarfin.com

April 13, 2021

BILL SUMMARY

70731 Spirit Commercial Auto RRG, Inc. ("Spirit")

March 1, 2021 – March 31, 2021

Matter No. and Description	Fees	Costs	Total
March 2021 Non-IT Services	\$7,186.25	\$0.00	\$7,186.25
March 2021 IT Services Flat Fee	2,000.00	0.00	2,000.00
Totals (1)	\$9,186.25	\$0.00	\$9,186.25

RA000460

Palomar Financial, LC

SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.

PRIVILEGED AND CONFIDENTIAL

SUMMARY REPORT

PERIOD MARCH 2021

		Billable Hours	Billable Rate	March 2021 Billing
1	TIME KEEPER - Nicole Wilkins	6.35	\$250.00	\$1,587.50
2	TIME KEEPER - Robert Stebel	24.45	\$175.00	\$4,278.75
3	TIME KEEPER - Kelly Reed	1.25	\$160.00	\$200.00
4	TIME KEEPER - Neda Khalaf	0.00	\$175.00	\$0.00
5	TIME KEEPER - Brent Andrews	0.00	\$175.00	\$0.00
6	TIME KEEPER - Mary Noel	7.00	\$160.00	\$1,120.00
	GRAND TOTAL	39.05		\$7,186.25

Palomar Financial, LC
03/01/2021-03/31/2021
Client: Spirit Commercial Auto Risk Retention Group, Inc. ("SPIRIT")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	1.25	\$ 312.50
		General Ledger Accounting	0.20	\$ 50.00
		Investment Accounting/Support	0.40	\$ 100.00
		Accounts Payable and Receivable	2.85	\$ 712.50
		Bank Account Administration/Reconciliation	0.20	\$ 50.00
		Taxes and Tax Planning	0.45	\$ 112.50
		Actuarial Matters	1.00	\$ 250.00
		Sub Total (NMW)	6.35	\$ 1,587.50
RNS	Robert Stebel	Financial Statement Preparation/Planning	11.85	\$ 2,073.75
		General Ledger Accounting	0.90	\$ 157.50
		Receivership Administration	1.65	\$ 288.75
		Taxes & Tax Planning	8.30	\$ 1,452.50
		Actuarial Matters	1.75	\$ 306.25
		Sub Total (RNS)	24.45	\$ 4,278.75
KJR	Kelly Reed	Bank Account Administration/Reconciliation	1.25	\$ 200.00
		Sub Total (KJR)	1.25	\$ 200.00
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	0.00	\$ -
NK	Neda Khalaf	Accounts Payable and Receivable	0.00	\$ -
NK	Neda Khalaf	Bank Account Administration/Reconciliation	0.00	\$ -
		Sub Total (NK)	0.00	\$ -
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Accounting Reports/Receivership Team Support	2.00	\$ 320.00
		Receivership Administration	0.25	\$ 40.00
		Accounts Payable and Receivable	4.75	\$ 760.00
		Sub Total (MFN)	7.00	\$ 1,120.00
Grand Total			39.05	\$ 7,186.25

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May 18, 2021

BILL SUMMARY

70731 Spirit Commercial Auto RRG, Inc. ("Spirit")

April 1, 2021 – April 30, 2021

Matter No. and Description	Fees	Costs	Total
April 2021 Non-IT Services	\$6,057.50	\$0.00	\$6,057.50
April 2021 IT Services Flat Fee	2,000.00	0.00	2,000.00
Totals (1)	\$8,057.50	\$0.00	\$8,057.50

RA000463

Palomar Financial, LC

SPIRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.

PRIVILEGED AND CONFIDENTIAL

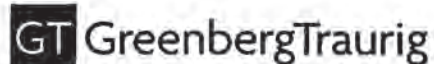
SUMMARY REPORT

PERIOD APRIL 2021

		Billable Hours	Billable Rate	April 2021 Billing
1	TIME KEEPER - Nicole Wilkins	9.85	\$250.00	\$2,462.50
2	TIME KEEPER - Robert Stebel	6.60	\$175.00	\$1,155.00
3	TIME KEEPER - Kelly Reed	1.50	\$160.00	\$240.00
4	TIME KEEPER - Neda Khalaf	0.00	\$175.00	\$0.00
5	TIME KEEPER - Brent Andrews	0.00	\$175.00	\$0.00
6	TIME KEEPER - Mary Noel	13.75	\$160.00	\$2,200.00
	GRAND TOTAL	31.70		\$6,057.50

Palomar Financial, LC
04/01/2021-04/30/2021
Client: Spirit Commercial Auto Risk Retention Group, Inc. ("SPIRIT")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Financial Statement Preparation/Planning	1.00	\$ 250.00
		Accounting Reports/Receivership Team Support	3.95	\$ 987.50
		Accounts Payable and Receivable	2.35	\$ 587.50
		Bank Account Administration/Reconciliation	0.40	\$ 100.00
		Taxes and Tax Planning	0.70	\$ 175.00
		Actuarial Matters	1.45	\$ 362.50
		Sub Total (NMW)	9.85	\$ 2,462.50
RNS	Robert Stebel	Receivership Administration	1.15	\$ 201.25
		Taxes & Tax Planning	5.45	\$ 953.75
		Sub Total (RNS)	6.60	\$ 1,155.00
KJR	Kelly Reed	Bank Account Administration/Reconciliation	1.50	\$ 240.00
		Sub Total (KJR)	1.50	\$ 240.00
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	0.00	\$ -
		Sub Total (NK)	0.00	\$ -
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Accounting Reports/Receivership Team Support	9.75	\$ 1,560.00
		Investment Accounting/Support	0.25	\$ 40.00
		Accounts Payable and Receivable	3.75	\$ 600.00
		Sub Total (MFN)	13.75	\$ 2,200.00
Grand Total			31.70	\$ 6,057.50



Invoice No.: 5639687
File No. : 183955.010100
Bill Date : April 8, 2021

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Spirit Commercial Receivership

Legal Services through March 31, 2021:

Total Fees: \$ 6,327.00

Expenses:

Subpoenas

150.00

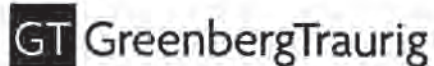
Total Expenses: \$ 150.00

Total Current Invoice: \$ 6,477.00

MEF:TKK
Tax ID: 13-3613083

Greenberg Traurig, LLP | Attorneys at Law | 10845 Griffith Peak Drive | Suite 600 | Las Vegas, Nevada 89135
Tel 702.792.3773 | Fax 702.792.9002 | www.gtlaw.com

RA000466



Invoice No.: 5639531
File No. : 183955.010400
Bill Date : April 8, 2021

Barbara D. Richardson
c/o Mark Bennett, Esq.
Cantilo & Bennett, LLP as Special
Deputy Receiver of Spirit Group, Inc.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: CTC

Legal Services through March 31, 2021:

Total Fees: \$ 6,438.00

Expenses:

Exhibits

598.30

Total Expenses: \$ 598.30

Total Current Invoice: \$ 7,036.30

KBH:TKK
Tax ID: 13-3613083

Greenberg Traurig, LLP | Attorneys at Law | 10845 Griffith Peak Drive | Suite 600 | Las Vegas, Nevada 89135
Tel 702.792.3773 | Fax 702.792.9002 | www.gtlaw.com

RA000467



P.O. Box 70087
Louisville, KY 40270-0087
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Barbara Richardson
c/o Mark Bennett, Esq.
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Fed # 61-0722001
March 18, 2021
Bill # 210194711
Account # 0141877.0719175

RE: Defense in Receivership Action - Spirit RRG

For Professional Services Rendered Through February 28, 2021	4,041.00
--	----------

TOTAL THIS BILL:	4,041.00
-------------------------	-----------------



Invoice Remittance

Kara Hendricks
Greenberg Traurig, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135
Hendricksk@gtlaw.com
On behalf of: Receiver of Spirit Commercial Auto

March 29, 2021
FTI Invoice No. 7577760
FTI Job No. 400181.0512
Terms NET 30
Federal I.D. No. 52-1261113
Currency: USD

Re: Spirit - CTC Audit Review

Current Invoice Period: Charges Posted through January 31, 2021

Amount Due This Period

Professional Services.....	\$0.00
Expenses	<u>\$7,514.58</u>
Amount Due this Period.....	\$7,514.58



Invoice Remittance

Kara Hendricks
Greenberg Traurig, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135
Hendricksk@gtlaw.com
On behalf of: Spirit Commercial Auto Risk Retention

April 9, 2021
FTI Invoice No. 7579042
FTI Job No. 400181.0526
Terms UPON RECEIPT
Federal I.D. No. 52-1261113
Currency: USD

Re: Spirit Reinsurance

Current Invoice Period: Charges Posted through March 31, 2021

Amount Due This Period

Professional Services.....	\$3,012.00
Expenses	<u>\$0.00</u>
Amount Due this Period.....	\$3,012.00



Invoice

1166 Avenue of the Americas
New York, NY 10036

Telephone: (212) 345-8900

Mark Bennett
Counsel
Cantilo & Bennett LLP
11401 Century Oaks Terrace, Suite 300
Austin TX 78758

Number 481010007341
Date 15-Apr-2021
Client CANT48

Remittance Copy

For actuarial consulting services provided to Spirit Commercial Auto Risk Retention Group, Inc. (Spirit) during March of 2021.

		Fees
Sub Total	\$	9,887.50
Total Amount Due	\$	9,887.50

EXHIBIT “2”

SPRIT COMMERCIAL AUTO RISK RETENTION GROUP, INC.

Cash Flow Analysis

March 2019 - May 2021

Sources & Uses

Beginning Receivership Cash as of February 28, 2019	\$	7,789,129
POST-RECEIVERSHIP SOURCE RECOVERIES:		
Premium Revenue		596,095
Premium Tax Refunds		138,503
Return of Premium from Accredited		34,436,138
Salvage and Subrogation Recoveries		272,364
New Tech Capital		111,378
Interest and Dividends		4,067,827
Other		274,483
TOTAL POST-RECEIVERSHIP SOURCE RECOVERIES:		39,896,788
USES POST RECEIVERSHIP:		
Other Admin		(2,707,557)
Professional Services		(3,122,596)
TOTAL USES POST RECEIVERSHIP:		(5,830,153)
Net cash increase for period		34,066,635
Ending Cash as of May 31, 2021	\$	41,855,764

CERTIFICATE OF SERVICE

I certify that I am an employee of BAILEY ♦ KENNEDY and that on the 25th day of August, 2021, service of the foregoing **REAL PARTY IN INTEREST CRITERION CLAIM SOLUTIONS OF OMAHA, INC.’S APPENDIX TO ANSWER TO PETITION FOR WRIT OF MANDAMUS – VOLUME II** was made by electronic service through the Nevada Supreme 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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TAMI D. COWDEN, ESQ.
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dastur@petersonbaker.com

*Attorneys for Real Parties in Interest
Matthew Simon Jr. and Scott McCrae*

With a courtesy copy via email (pursuant to March 20, 2020 Order of the Chief
Judge of the Eighth Judicial District Court that courtesy copies be submitted via
email):

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

via email on August 25, 2021, to Dept13lc@clarkcountycourts.us

/s/Karen J. Rodman

An Employee of BAILEY ♦ KENNEDY