

D-1-GN-18-001285
NO. _____

THE TEXAS DEPARTMENT OF INSURANCE <i>Plaintiff</i>	§ § § §	IN THE DISTRICT COURT OF
V.	§ §	TRAVIS COUNTY, TEXAS
ACCESS INSURANCE COMPANY <i>Defendant</i>	§ §	261ST ____ JUDICIAL DISTRICT

**PLAINTIFF'S ORIGINAL PETITION,
APPLICATION FOR ORDER APPOINTING LIQUIDATOR
AND REQUEST FOR INJUNCTIVE RELIEF**

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES the Texas Department of Insurance (“Plaintiff”), by and through the Office of the Attorney General of Texas, complaining of Access Insurance Company (“Defendant”), and in support would respectfully show the Court the following:

I. DISCOVERY LEVEL

1. Plaintiff intends to conduct discovery under Level 2 of the Texas Rule of Civil Produce Rule 190.

II. NATURE OF SUIT

2. This suit is brought pursuant to Texas Insurance Code Chapter 443, the Insurer Receivership Act. Plaintiff seeks to obtain an order designating the Commissioner as Liquidator of Defendant under TEX. INS. CODE § 443.151 *et seq.*

3. Plaintiff further seeks to obtain a Permanent Injunction pursuant to TEX. INS. CODE § 443.008 (a), restraining Defendant from conducting business, except as directed by the Liquidator, and restraining other parties from taking any actions against Defendant or its property.

4. Plaintiff further seeks to recover from Defendant reasonable attorneys' fees and court costs incurred in this action, and all the fees, taxes, fines, penalties, and forfeitures provided by law for the acts complained of.

III. DEFENDANT

5. Defendant is a property and casualty stock insurer doing the business of insurance in the State of Texas. Defendant is a "Covered Person" as is defined in TEX. INS. CODE § 443.003. Defendant has waived citation and service of process.

IV. JURISDICTION AND VENUE

6. This Court has jurisdiction over this action pursuant to Texas Constitution Article IV, section 22 and Texas Insurance Code section 443.005.

7. This suit must be brought against Defendant in Travis County, Texas pursuant to Texas Insurance Code sections 443.005 (g) and 443.051.

V. FACTS

8. Defendant is authorized to engage in business as a property and casualty stock insurer under Chapter 822 of the Texas Insurance Code. It issues nonstandard automobile insurance policies providing liability and physical damage coverage.

9. Attached as **Exhibit 1** is a true and correct copy of most current monthly income statement for Defendant. As of January 31, 2018, Defendant reported that it had a negative surplus of \$29,011,803.

10. On March 6, 2018, the State of California issued a Cease and Desist order against Defendant, prohibiting Defendant from engaging in business in California. As a result of this action, all ongoing efforts to bring Defendant into compliance with the financial requirements of the Texas Insurance Code became futile.

VI. GROUNDS FOR ORDER OF LIQUIDATION

11. Grounds exist to place Defendant into liquidation under TEX. INS. CODE §443.057. Defendant is insolvent as defined in TEX. INS. CODE § 443.004 (a)(13), as it does not have assets at least equal to its liabilities. Defendant's majority owner has consented to liquidation under TEX. INS. CODE §443.057 (20), as shown on the resolution attached as **Exhibit 2**.

VII. APPOINTMENT OF LIQUIDATOR

12. Texas Insurance Code, section 443.151(a) provides that an order of liquidation must appoint the Commissioner as the Liquidator. Pursuant to TEX. INS. CODE § 443.151 *et seq* Plaintiff requests that this Court issue an order appointing the Commissioner as Liquidator of Defendant, and grant him all powers under the statutes and the common law of the State of Texas, including but not limited to TEX. INS. CODE § 443.151 *et seq*, to conduct the business of the Defendant, and take any other actions as he deems necessary. Pursuant to TEX. INS. CODE § 443.008(m), Plaintiff further requests that the Liquidator not be required to file a bond.

13. Plaintiff further requests that, pursuant to TEX. INS. CODE § 443.151(a), this Court issue an order finding that all of Defendant's property of any kind or nature, wherever situated, whether real, personal, or mixed, and whether held in Defendant's name or for Defendant's benefit, including but not limited to cash, accounts, funds, stocks, bonds, statutory deposits (including deposits made by Defendant with any agency of a state or the federal government), trust funds, letters of credit, safe deposit boxes, notes, books, records, documents, furniture, equipment, real estate, retainages and retainers, and rights or causes of actions of any kind, including, but not limited to, accounts receivables, contract rights, premiums, insurance and reinsurance proceeds, and all licenses held by Defendant, be vested in the Liquidator.

VIII. STAY OF PROCEEDINGS

14. Pursuant to TEX. INS. CODE § 443.008(c), the commencement of this proceeding operates as a stay against the commencement or continuation of a judicial, administrative, or other action or proceeding or process against Defendant or its property. Further, pursuant to TEX. INS. CODE § 443.008(d), the commencement of this proceeding operates as a stay with respect to certain actions against insureds of Defendant for 90 days after the date of the order appointing the Liquidator, or such further time ordered by this Court. Plaintiff requests that this Court enter any additional stays under TEX. INS. CODE § 443.008(a) as may be necessary.

IX. INJUNCTIVE RELIEF

15. This Court may grant injunctive relief as necessary or appropriate to carry out the provisions of the Insurer Receivership Act pursuant to TEX. INS. CODE § 443.008(a). Plaintiff requests that this Court enter a Permanent Injunction as set forth herein pursuant to TEX. INS. CODE § 443.008(a) to prevent immediate and irreparable injury, loss and damage to the State of Texas, the general public, and Defendant's creditors.

16. Plaintiff would show that, unless restrained by this Court, Defendant will continue to operate in an insolvent condition. Plaintiff therefore requests that this Court enter an order enjoining Defendant's current and former officers, directors, underwriters, managers, employees, owners and affiliates (including but not limited to Michael McMenamin; Daniel Lazarek; Michael H. Meadows; Jason Thorpe Jones; Rhonda G. Sloan; Cullen C. Wilkerson; Donald Johnson; Andromeda Thompson; Turning Leaf Group, Inc.; Access Holdco, LLC; Access Insurance Holdings, LLC; and Ashford Associates, LLC); local recording agents, managing general agents, agents, third party administrators, representatives, associates, servants, adjusters, attorneys and accountants (including but not limited to ACP Insurance Holdings; L.P.; ACP Insurance Holdings,

Inc.; ACP Insurance Intermediate, LLC; ACP Insurance, LLC; Access Holdco Management, LLC; Access General Agency, LLC; Access General Agency of Alabama, LLC; Access General Agency of Arizona, LLC; Access General Agency of Arkansas, LLC; Access General Insurance Agency of California, LLC; Access General Agency of Florida, LLC; Access General Agency of Georgia, LLC; Access General Agency of Indiana, LLC; Access General Agency of Louisiana, LLC; Access General Agency of Massachusetts, LLC; Access General Agency of Mississippi, LLC; Access General Agency of Nevada, LLC; Access General Agency of New Mexico, LLC; Access General Insurance Agency of Oklahoma, LLC; Access General Agency of Pennsylvania, LLC; Access General Agency of South Carolina, LLC; Access General Agency of Tennessee, LLC; Access General Insurance Agency of Texas, LLC; Access General Insurance Adjusters, LLC; Access Corporate Services, LLC; Access Auto Club, LLC, Access Claims Administrators, LLC; Access Premium Finance, LLC; Access Adjusting Services, LLC; Access Insurance Consultants, LLC; Access Administrative Services, LLC; Access MGA Group, LLC; Richard S. Kahlbaugh; Joe Pietrangelo; David Hughes; Fil Vizon; Melanie Mathis; Mike Chaloux; and Kimberly Boudreaux); and those acting in concert with them, from conducting business on behalf of Defendant, except as directed by the Liquidator, and from wasting, transferring, selling, assigning, canceling, concealing, claiming, hypothecating or disposing of, in any manner, any of Defendant's property. Plaintiff further requests that this Court order Defendant and Defendant's agents to cooperate with the Liquidator as required by TEX. INS. CODE § 443.010.

17. Plaintiff would further show that all financial institutions and depositories (including but not limited to Brand Bank; SunTrust Bank; SunTrust Robinson Humphrey; Regions Bank; U.S. Bank; Bank of America, N.A.; Wells Fargo Bank, N.A.; Morgan Stanley; and Morgan Stanley Smith Barney) and any other parties that receive actual notice should be restrained from

taking unauthorized actions in connection with Defendant's property. Plaintiff therefore requests that this Court issue an order pursuant to TEX. INS. CODE § 443.008 (a) enjoining any parties from releasing, transferring, concealing, withdrawing, allowing to be withdrawn, or affecting, in any manner, any of Defendant's property, as further described herein, or other asset to the credit of Defendant on deposit with them or in their possession, except as authorized by the Liquidator or his designees, and that such parties be ordered to produce and deliver to the Liquidator or his designees such assets, money, deposits, or other items they have in their custody.

18. Plaintiff would further show that in order to avoid the dissipation or loss of Defendant's assets or records, and prevent any creditors or claimants from obtaining any preferences in violation of the Insurer Receivership Act, an injunction should be issued against any and all parties asserting claims or causes of action of any kind against Defendant. Plaintiff therefore requests that this Court enjoin any parties from commencing or prosecuting any action against the Liquidator or Defendant, including, but not limited to, arbitration, administrative proceedings, lawsuits or appeals, and from obtaining any preference, judgment, attachment, garnishment, lien or levy against the Liquidator, Defendant or Defendant's property, except by doing so as permitted by the Insurer Receivership Act. Plaintiff further requests that this Court order that the United States Postmaster deliver to the Liquidator any items addressed to Defendant.

X. OTHER RELIEF

19. Plaintiff requests that this Court award it all costs incurred in this proceeding, including but not limited to reasonable attorneys' fees, investigative costs, and court costs. The payment of such amounts shall be subject to the provisions of TEX. INS. CODE Chapter 443.

PRAYER

WHEREFORE, PREMISES CONSIDERED, the Plaintiff prays:

1. that the Court grant the Application and the relief requested;
2. that the Court enter a Permanent Injunction enjoining Defendant and Defendant's agents, financial institutions and depositories, and all other persons from taking any action in connection with Defendant's business and property, except as directed by the Liquidator, and from taking any action against Defendant or the Liquidator, except as permitted by the Insurer Receivership Act;
3. that the Court immediately appoint the Commissioner as Liquidator, and that the Liquidator be given all powers under the statutes and the common law of the State of Texas;
4. that the Court vest the Liquidator with title to Defendant's property;
5. that Plaintiff be awarded all costs incurred in this proceeding, including but not limited to reasonable attorneys' fees, investigative costs, and court costs, subject to the provisions of TEX. INS. CODE Chapter 443;
6. that no bond be required of the Commissioner or the Liquidator; and
7. for any such further relief, both general and specific, in law and in equity, to which Plaintiff may be entitled.

Respectfully submitted,

KEN PAXTON
Attorney General of Texas

JEFFREY C. MATEER
First Assistant Attorney General

BRANTLEY STARR
Deputy First Assistant Attorney General

JAMES E. DAVIS
Deputy Attorney General for Civil Litigation

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Division Chief
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/s/ Jennifer S. Jackson

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Attorneys Representing Plaintiff



Texas Department of Insurance

Financial Regulation Division - Financial Analysis Section, Mail Code 303-1A
333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104
512-676-6885 telephone • 512-490-1008 fax • www.tdi.texas.gov

STATE OF TEXAS

COUNTY OF TRAVIS

The Commissioner of Insurance, as the chief administrative and executive officer and custodian of records of the Texas Department of Insurance has delegated to the undersigned the authority to certify the authenticity of documents filed with or maintained by or within the custodial authority of the Financial Analysis Section of the Texas Department of Insurance.

Therefore, I hereby certify that the attached document is a true and correct copy of the document described below. I further certify that the document described below is filed with or maintained by or within the custodial authority of the Financial Analysis Section of the Texas Department of Insurance.

The certified document consists of a copy of the Unaudited Monthly Income Statement, filed by ACCESS INSURANCE COMPANY, as of January 31, 2018.

IN TESTIMONY WHEREOF, witness my hand and seal of office at Austin, Texas, this 13th day of March, 2018.

BY: *Teresa Saldana*
TERESA SALDANA
ASSISTANT CHIEF ANALYST
FINANCIAL REGULATION DIVISION
FINANCIAL ANALYSIS SECTION



Access Insurance Company
 Statutory Income Statement 2018
 Preliminary (Unaudited)

	YTD												Rolling 12 Months	
	December 2017	January	February	March	April	May	June	July	August	September	October	November	December	January 2017
	TOTAL													
Underwriting Income														
Direct Written Premium	354,036,445	31,251,380												359,122,748
Assumed Written Premium	(297,347,387)	(23,689,938)												0
Ceded Written Premium	56,749,059	7,561,442												(298,746,772)
Net Written Premium	337,003,218	29,618,940												60,375,976
Direct Premium Earned	(285,921,790)	(23,457,996)												16.8%
Assumed Premium Earned	51,081,428	6,160,945												0
Ceded Premium Earned	356,623,142	24,903,416												(287,051,684)
Net Earned Premium	(298,293,521)	(18,962,709)												53,300,865
Net Losses Incurred	58,329,621	5,040,706												366,555,609
Assumed Losses Incurred	6,967,142	742,141												0
Ceded Losses Incurred	44,478,502	1,700,517												(305,299,791)
Net Losses Incurred	109,775,265	7,483,364												61,255,817
Loss Expenses Incurred														7,233,978
Other Underwriting Expenses Incurred														45,018,662
Aggregate write-ins for UW deductions														0
Total Underwriting deductions														113,508,456
Net Income of protected cells														0
Net underwriting gain (loss)	(58,693,837)	(1,322,420)												(60,207,591)
Investment Income														
Net Investment Income earned	89,723	11,387												106,418
Net realized capital gains (loss)														0
Net investment gain (loss)	89,723	11,387												106,418
Other Income														
Net gain or (loss) from premium balances														0
Finance and service charges not in premiums														0
Aggregate write-ins for miscellaneous income														0
Total other income	32,712													32,712
Net income after dividends to policyholders	(58,571,402)	(1,311,032)												(60,068,461)
Federal and foreign income taxes incurred	(12,000)													(12,000)
Net Income	(58,559,402)	(1,311,032)												(60,056,461)
Capital and Surplus Account														
Surplus as regards policyholders prior year														(12,4)
Net income YTD	39,316,963	(27,613,058)												33,461,785
Change in unrealized cap gain(loss)	(58,559,402)	(1,311,032)												(60,056,461)
Change in unrealized foreign exchange														0
Change in net deferred income tax	2,961,000													3,021,000
Change in nonadmitted assets	(5,331,629)	(87,702)												(5,438,127)
Change in provision for reinsurance														0
Change in surplus notes														0
Cumulative effect of changes in equity principles														0
Capital Changes														0
Surplus adjustments														0
Net remittances from (to) home office														0
Dividends to stockholders														0
Change in Treasury stock														0
Aggregate write-ins for gains/losses/surplus														0
Change in surplus as regards policyholders	(60,930,031)	(1,368,793)												(62,473,598)
Surplus as regards policyholders	(27,613,058)	(29,011,803)												(29,011,803)

**WRITTEN CONSENT OF
THE MANAGING MEMBER
OF
ACCESS INSURANCE HOLDINGS, LLC
Effective as of March 13, 2018**

The undersigned, being the Managing Member and the sole member (“Managing Member”) of Access Insurance Holdings, LLC, a Georgia limited liability company (the “Company”), by execution hereof does hereby: (i) consent to and take the following actions as of the date hereof pursuant to the authority granted to the Managing Member and the member in applicable provisions of the Company’s Amended and Restated Operating Agreement and the Georgia Limited Liability Company Act, which actions shall have the same force and effect as if adopted by affirmative vote at a meeting of the Managing Member and the member duly called and held; (ii) waive all requirements of notice; and (iii) direct that this Written Consent be filed with the minutes of the proceedings of the Company. Terms used, but not otherwise defined herein, shall have the meanings ascribed to them in the Escrow Agreement (as defined below).

1.

Order Appointing Liquidator, Permanent Injunction and Notice of Automatic Stay

WHEREAS, the Company is the holder of all of the shares of Access Insurance Company, an insurance company domiciled in the State of Texas (“AIC”);

WHEREAS, AIC has received from the Texas Department of Insurance, an “Agreed Order Appointing Liquidator, Permanent Injunction and Notice of Automatic Stay” dated March _13, 2018 attached hereto as **Exhibit A** (the “Liquidation Order”);

WHEREAS, as the holder of a majority of the shares of AIC, is authorized under Tex. Ins. Code § 443.057 (20) to consent to the liquidation of AIC;

NOW, THEREFORE, BE IT RESOLVED, the Managing Member, on behalf of the Company, hereby approves the Liquidation Order and authorizes its counsel to consent to a petition by the Texas Department of Insurance to place AIC into liquidation pursuant to Tex. Ins. Code Chapter 443. The foregoing authority includes:

1. filing an appearance on behalf of the Company in a court of competent jurisdiction,
2. executing an agreed order placing AIC into liquidation, and
3. taking any other actions to carry out this resolution.

2.

General Authority

FURTHER RESOLVED, that any act taken or done by any officer or agent of the Company to facilitate compliance with the Liquidation is hereby ratified and approved, and the officers and agents of the Company are authorized to take and to do such further acts and deeds, and to execute and deliver for and in the name of the Company such other documents, papers, and instruments as are necessary, appropriate, advisable, or required in order to effectuate the purpose and intent of these resolutions, and

the taking of any such acts and deeds, and the execution and delivery of any such documents, papers, and instruments is hereby ratified and approved; and

FURTHER RESOLVED, that signatures by facsimile shall be treated as original signatures and effective for all purposes.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned has executed this Written Consent of the Managing Member of Access Insurance Holdings, LLC, effective as of the date first written above.

Managing Member:

Access Holdco, LLC,
a Georgia limited liability company

By: 
Michael McMenemy, President

Exhibit A

Liquidation Order

Cause No. _____

THE TEXAS DEPARTMENT OF OF INSURANCE,	§	IN THE DISTRICT COURT
Plaintiff	§	
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
ACCESS INSURANCE COMPANY	§	
Defendant	§	_____ JUDICIAL DISTRICT

**AGREED ORDER APPOINTING LIQUIDATOR,
PERMANENT INJUNCTION AND NOTICE OF AUTOMATIC STAY**

On this day, the Court heard the *Application for Order Appointing Liquidator and Request for Injunctive Relief* ("Application") filed by the Texas Department of Insurance ("Plaintiff"). The Application requests an order placing Access Insurance Company ("Defendant") into liquidation pursuant to TEX. INS. CODE Chapter 443, the Insurer Receivership Act, and appointing the Commissioner of Insurance ("Commissioner") as Liquidator of Defendant. The Application also requests a Permanent Injunction pursuant to TEX. INS. CODE § 443.008, restraining Defendant and its agents from conducting Defendant's business, and restraining other parties from taking any actions against Defendant or its property in violation of the Insurer Receivership Act.

Plaintiff appeared by and through the Office of the Attorney General. Defendant appeared by and through its counsel of record. Having considered the Plaintiff's verified petition, the evidence presented and the arguments of counsel, the Court finds that the Application should be GRANTED, and enters this Order.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED as follows:

I. FINDINGS OF FACT

- 1.1 Defendant is a “Covered Person” as defined in TEX. INS. CODE § 443.003.
- 1.2 Defendant does not have assets at least equal to all of its liabilities.
- 1.3 Defendant has waived citation and service of process, and Defendant’s majority owner has consented to the entry of this Order.

II. CONCLUSIONS OF LAW

- 2.1 This Court has jurisdiction over the parties and the subject matter of this action under TEX. INS. CODE § 443.005(c).
- 2.2 Grounds have been established to place Defendant into liquidation under TEX. INS. CODE § 443.057. These grounds include, but are not limited to, the finding that Defendant is insolvent as that term is defined in TEX. INS. CODE § 443.004 (a)(13).
- 2.3 In accordance with TEX. INS. CODE § 443.058, Plaintiff is entitled to an order of liquidation, and the Commissioner must be appointed as Liquidator of Defendant pursuant to TEX. INS. CODE § 443.151.
- 2.4 The Liquidator shall be vested by operation of law with title to all of Defendant’s property as defined in TEX. INS. CODE § 443.004 (a)(20). Such property shall include property of any kind or nature, whether real, personal, or mixed, including but not limited to money, funds, cash, stock, bonds, account deposits, statutory deposits, special deposits, contents of safe deposit boxes, funds held in shared, escrow or trust accounts, retainages and retainers, letters of credit, real estate, fixtures, furniture, equipment, books, records, documents and insurance policies, intellectual property, computer software and systems, information technology, internet domain names, patents and intangible assets, whether owned individually, jointly, or severally, wherever located, and all rights, claims or causes of action belonging to Defendant, whether asserted or not, including but not

limited to accounts receivable, notes, premiums, subrogation, insurance and reinsurance proceeds, and all licenses held by Defendant (collectively, "Defendant's Property"). The Liquidator's title shall extend to Defendant's Property regardless of the name in which such items are held, or where such items are located.

- 2.5 Pursuant to TEX. INS. CODE § 443.151 (a), the Liquidator shall be directed to take possession and control of Defendant's Property, wherever located.
- 2.6 The Liquidator may take action as he deems necessary or appropriate to perform his duties pursuant to TEX. INS. CODE § 443.151. The Liquidator shall have all the powers of Defendant's directors, officers and managers, and the authority of such persons is suspended except as specifically permitted by the Liquidator or his designees.
- 2.7 Defendant and Defendant's agents shall be required to cooperate with the Liquidator and his designees pursuant to TEX. INS. CODE § 443.010.
- 2.8 Pursuant to TEX. INS. CODE § 443.008 (c), an automatic stay is in effect with respect to actions against Defendant or its property, effective on the commencement of this proceeding. Pursuant to TEX. INS. CODE § 443.008 (d), an automatic stay is in effect with respect to actions against insureds of Defendant, commencing on the entry of this Order. In addition to the stays under TEX. INS. CODE § 443.008, a stay shall be in effect upon the designation of Defendant as an "impaired insurer" pursuant to TEX. INS. CODE § 462.309.
- 2.9 Pursuant to TEX. INS. CODE § 443.008 (a), this Court may issue any stay or injunction as necessary or appropriate to carry out the Insurer Receivership Act. It is necessary for this Court to issue a permanent injunction pursuant to TEX. INS. CODE § 443.008 (a) to carry out the provisions of TEX. INS. CODE Chapter 443, and prevent irreparable injury, loss and damage to the general public and Defendant's creditors. A necessity exists to enjoin Defendant and Defendant's agents from conducting Defendant's business, except as

specifically permitted by the Liquidator or his designees; to enjoin financial institutions or depositories from taking any actions in connection with Defendant's property, except as directed by the Liquidator or his designees; and to enjoin all claimants or creditors from asserting claims or causes of action against Defendant, except as permitted by the Insurer Receivership Act.

- 2.10 Pursuant to TEX. INS. CODE § 443.151 (a), this proceeding is exempt from any dormancy requirements.

III. APPOINTMENT OF LIQUIDATOR

The Commissioner is appointed as Liquidator of Defendant, and granted the following powers:

- 3.1 The Liquidator has all powers and authority granted by the Insurer Receivership Act, specifically, without limitation, TEX. INS. CODE § 443.151 *et seq.*, and any and all other powers and authority under applicable statutes and the common law of this State.
- 3.2 Pursuant to TEX. INS. CODE § 443.151 (a), title to all of Defendant's Property, including but not limited to all the assets and rights described in this Order, is vested in the Liquidator. The Liquidator is authorized to take control and possession of Defendant's Property, wherever located, and remove all such property from Defendant's premises.
- 3.3 Pursuant to TEX. INS. CODE § 443.154 (w), the Liquidator is vested with all of Defendant's rights. The Liquidator is authorized to direct, manage, and supervise Defendant's directors, officers, managers, employees or agents, and compensate them as he deems necessary from Defendant's funds, or to suspend or discharge such persons at his discretion.
- 3.4 The Liquidator has all of Defendant's rights as the customer of a financial institution. The Liquidator is authorized to withdraw Defendant's Property from any banks, financial

institutions and other depositories, agencies of any state or the federal government, and any other entities, or continue the operation of any accounts of Defendant, at his discretion. Such authority includes, but is not limited to, maintaining accounts to allow checks issued by Defendant for payments under policies of insurance to be processed and paid.

- 3.5 The Liquidator is vested with all legal remedies available to Defendant pursuant to TEX. INS. CODE § 443.154 (w). The Liquidator is authorized to file, prosecute, defend, or settle any action as he deems necessary, including any action to enforce the provisions of this Order.
- 3.6 Pursuant to TEX. INS. CODE § 443.154 (k), the Liquidator may enter into contracts as necessary to perform his duties, and may assume or reject any executory contract or unexpired lease to which Defendant is a party at his discretion pursuant to TEX. INS. CODE § 443.013.
- 3.7 The Liquidator is authorized to change the locks on any property owned, leased, or occupied by Defendant.
- 3.8 The Liquidator is authorized to exclude any person from any property owned, leased or occupied by Defendant, at his discretion.
- 3.9 The Liquidator is authorized to receive, collect, control, open and review all mail addressed to or intended for Defendant, or arriving at Defendant's address.
- 3.10 TEX. INS. CODE § 443.154 (a) authorizes the Liquidator to appoint a Special Deputy, and employ or contract with legal counsel and other personnel as he deems necessary. Pursuant to TEX. INS. CODE § 443.015 (e), the Liquidator is authorized to set the compensation of any such Special Deputy or other persons as he deems necessary, and pay for such services from Defendant's funds. The Liquidator's designees and any

Special Deputy appointed under TEX. INS. CODE § 443.154 (a) have all the rights and powers of the Liquidator, subject to any limitations imposed by the Liquidator.

- 3.11 Pursuant to TEX. INS. CODE § 443.008 (m), the Commissioner is not required to file a bond in connection with this proceeding, in his capacity as Liquidator or otherwise.
- 3.12 In accordance with TEX. INS. CODE § 443.151 (a), any successor to the Commissioner shall be appointed as the Liquidator of Defendant. In the event a successor is appointed to be the Commissioner, the successor shall become the Liquidator upon his appointment as Commissioner, and the former Commissioner shall be discharged as Liquidator as a matter of law.
- 3.13 The enumeration of the Liquidator's powers and authority in this Order shall not be construed as a limitation on the Liquidator to take any action authorized by the Insurer Receivership Act or other applicable law that is not specified in this Order.

IV. PERMANENT INJUNCTION

The Clerk of this Court shall issue a Permanent Injunction against the persons and entities named below, with the following force and effect:

TO: Defendant and its agents, including but not limited to:

Defendant's current and former officers, directors, underwriters, managers, employees, owners and affiliates (including but not limited to Michael McMenamin; Daniel Lazarek; Michael H. Meadows; Jason Thorpe Jones; Rhonda G. Sloan; Cullen C. Wilkerson; Donald Johnson; Andromeda Thompson; Turning Leaf Group, Inc.; Access Holdco, LLC; Access Insurance Holdings, LLC; and Ashford Associates, LLC); local recording agents, managing general agents, agents, third party administrators, representatives, associates, servants, adjusters, attorneys and accountants (including but not limited to ACP Insurance Holdings; L.P.; ACP Insurance Holdings, Inc.; ACP Insurance Intermediate, LLC; ACP Insurance, LLC; Access Holdco Management, LLC; Access General Agency, LLC; Access General Agency of Alabama, LLC; Access General Agency of Arizona, LLC; Access General Agency of Arkansas, LLC; Access General Insurance Agency of California, LLC; Access General Agency of Florida, LLC; Access General Agency of Georgia, LLC; Access General Agency of Indiana, LLC; Access General Agency of Louisiana, LLC; Access General Agency of Massachusetts, LLC; Access

General Agency of Mississippi, LLC; Access General Agency of Nevada, LLC; Access General Agency of New Mexico, LLC; Access General Insurance Agency of Oklahoma, LLC; Access General Agency of Pennsylvania, LLC; Access General Agency of South Carolina, LLC; Access General Agency of Tennessee, LLC; Access General Insurance Agency of Texas, LLC; Access General Insurance Adjusters, LLC; Access Corporate Services, LLC; Access Auto Club, LLC, Access Claims Administrators, LLC; Access Premium Finance, LLC; Access Adjusting Services, LLC; Access Insurance Consultants, LLC; Access Administrative Services, LLC; Access MGA Group, LLC; Richard S. Kahlbaugh; Joe Pietrangelo; David Hughes; Fil Vizon; Melanie Mathis; Mike Chaloux; and Kimberly Boudreaux); and those acting in concert with them,

Financial institutions, including but not limited to:

any and all banks, savings and loan associations; trust companies; credit unions; welfare trusts; or any other financial or depository institutions in the possession of any of Defendant's property (including but not limited to Brand Bank; SunTrust Bank; SunTrust Robinson Humphrey; Regions Bank; U.S. Bank; Bank of America, N.A.; Wells Fargo Bank, N.A.; Morgan Stanley; and Morgan Stanley Smith Barney); and

All other parties, including but not limited to:

creditors, claimants, insurers, intermediaries, attorneys and all other persons, associations, corporations, or any other legal entities asserting claims or causes of action against Defendant, or in possession of any of Defendant's Property, and the United States Postmaster.

Each of you are hereby RESTRAINED and ENJOINED from taking any and all of the following actions:

- 4.1 Doing, operating, or conducting Defendant's business under any charter, certificate of authority, license, permit, power or privilege belonging to or issued to Defendant, or exercising any direction, control, or influence over Defendant's business, except through the authority of the Liquidator or his designees;
- 4.2 Transacting any business of Defendant's in any manner except through the authority of the Liquidator or his designees;
- 4.3 Wasting, disposing of, converting, dissipating, or concealing, in any manner, any of Defendant's Property;

- 4.4 Using, releasing, transferring, selling, assigning, canceling, hypothecating, withdrawing, allowing to be withdrawn, offsetting, asserting ownership of, concealing, in any manner, or removing from this Court's jurisdiction or from Defendant's place of business, any of Defendant's Property, or any other items purchased by Defendant, or any items into which such property has been transferred, deposited or placed, or any other items owned by Defendant's, wherever located, except through the authority of the Liquidator or his designees;
- 4.5 Releasing, transferring, selling, assigning or asserting ownership of, in any manner, any claims, accounts receivable, or causes of action belonging to Defendant, whether asserted or not, except through the authority of the Liquidator or his designees;
- 4.6 Doing anything, directly or indirectly, to prevent the Liquidator or his designees from gaining access to, acquiring, examining, or investigating any of Defendant's Property or any other property, books, documents, records, or other materials concerning Defendant's business, under whatever name they may be found;
- 4.7 Obstructing or interfering in any way with the conduct of this proceeding or any incidental investigation as prohibited by TEX. INS. CODE § 443.010(b);
- 4.8 Interfering with these proceedings or with the lawful acts of the Liquidator or his designees in any way;
- 4.9 Intervening in this proceeding for the purpose of obtaining a payment from the receivership estate of Defendant as prohibited by TEX. INS. CODE § 443.005(i);
- 4.10 Making any claim, charge or offset, or commencing or prosecuting any action, appeal, or arbitration, including administrative proceedings, or obtaining any preference, judgment, attachment, garnishment, or other lien, or making any levy against Defendant,

Defendant's Property or any part thereof, or against the Liquidator, except as permitted by the Insurer Receivership Act.

EACH OF YOU ARE FURTHER SPECIFICALLY ORDERED to make available and disclose to the Liquidator or his designees the nature, amount, and location of Defendant's Property, and immediately surrender all such property to the Liquidator or his designees.

DEFENDANT AND DEFENDANT'S AGENTS ARE FURTHER ORDERED to cooperate with the Liquidator or his designees as required by TEX. INS. CODE § 443.010 (a).

IT IS FURTHER ORDERED that the United States Postmaster and any other delivery services shall deliver to the Liquidator any items addressed to or intended for Defendant.

V. STAY OF PROCEEDINGS

5.1 An automatic stay is in effect with respect to actions against Defendant or its property as provided in TEX. INS. CODE § 443.008 (c). In accordance with TEX. INS. CODE § 443.008 (f), such stay of actions against Defendant is in effect for the duration of this proceeding, and the stay of actions against Defendant's property is in effect for as long as the property belongs to the receivership estate.

5.2 An automatic stay is in effect with respect to actions against a party insured by Defendant as provided in TEX. INS. CODE § 443.008 (d). Such stay shall continue for 90 days after the date of this Order, or such further time as ordered by this Court.

VI. CONTINUATION OF COVERAGE

6.1 Unless further extended by the Liquidator with the approval of this Court pursuant to TEX. INS. CODE § 443.152(b), all policies and insurance contracts issued by Defendant in effect at the time of issuance this order shall continue in force only until the earlier of:

- (a) the 30th day after the date of entry of this order;
- (b) the date of expiration of the policy coverage; or

- (c) the date the insured has replaced the policy or otherwise terminated the policy;

VII. OTHER ORDERS

- 7.1 This Order shall issue and become effective immediately, and shall continue in full force and effect until the entry of an order by this Court terminating liquidation under TEX. INS. CODE § 443.352.
- 7.2 Pursuant to TEX. INS. CODE § 443.055, this Order constitutes a final judgment, provided that this Court shall retain jurisdiction to issue further orders pursuant to the Insurer Receivership Act.
- 7.3 Plaintiff shall have a claim for reasonable attorneys' fees and court costs, provided that the amount and payment of such claim are subject to TEX. INS. CODE Chapter 443.
- 7.4 Notice of Plaintiff's petition and this Order shall be provided under TEX. INS. CODE § 443.052 (b) by first class mail or electronic communication.
- 7.5 Pursuant to TEX. INS. CODE § 443.007 (e), the Liquidator may provide notice of any application in the time periods prescribed in Rule 21 (a) of the Texas Rules of Civil Procedure if he determines that an expedited hearing is necessary. In accordance with TEX. INS. CODE § 443.007 (d), the Liquidator may provide notice of any application by first class mail, electronic mail, or facsimile transmission, at his discretion.
- 7.6 Anyone over the age of 18 whom is not a party to nor interested in the outcome of this suit may serve all citations, writs and notices in this cause.
- 7.7 All of the foregoing is subject to further orders of this Court.

SIGNED at Austin, Travis County, Texas, on the _____ day of _____, 20____, at _____ o'clock _____.m.

DISTRICT JUDGE PRESIDING

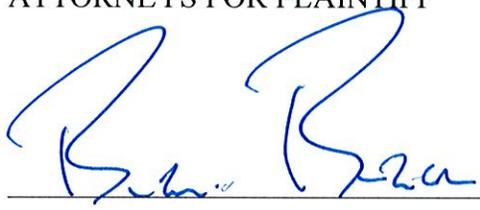
AGREED AS TO FORM AND SUBSTANCE this 13th day of March, 2018:

By: _____

Jennifer Jackson
State Bar No. 24060004
Cynthia Morales
State Bar No. 14417420
Assistant Attorney General
Financial Litigation Division
P.O. Box 12548
Austin, TX 78711-2548
Phone: (512) 463-9917
Fax: (512) 477-2348

ATTORNEYS FOR PLAINTIFF

By: _____


Burnie Burner
State Bar No. 03425700
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.
500 W. 5th Street
Ste. 1150
Austin, TX 78701
Phone: (512) 480-5100
Fax: (512) 322-0301

ATTORNEYS FOR DEFENDANT

AGREED AS TO FORM AND SUBSTANCE this _____ day of March, 2018:

By:  _____

Jennifer Jackson
State Bar No. 24060004
Cynthia Morales
State Bar No. 14417420
Assistant Attorney General
Financial Litigation Division
P.O. Box 12548
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Fax: (512) 322-0301

ATTORNEYS FOR DEFENDANT

CIVIL CASE INFORMATION SHEET

CAUSE NUMBER (FOR CLERK USE ONLY): _____ COURT (FOR CLERK USE ONLY): _____

STYLED Texas Department of Insurance v. Access Insurance Company

(e.g., John Smith v. All American Insurance Co; In re Mary Ann Jones; In the Matter of the Estate of George Jackson)

A civil case information sheet must be completed and submitted when an original petition or application is filed to initiate a new civil, family law, probate, or mental health case or when a post-judgment petition for modification or motion for enforcement is filed in a family law case. The information should be the best available at the time of filing.

1. Contact information for person completing case information sheet: Name: _____ Email: _____ Jennifer Jackson jennifer.jackson@oag.texas.g Address: _____ Telephone: _____ PO Box 12548 MC017 512-463-9917 City/State/Zip: _____ Fax: _____ Austin, TX 78711-2548 512-477-2348 Signature: _____ State Bar No: _____ 24060004	Names of parties in case: Plaintiff(s)/Petitioner(s): Texas Department of Insurance Defendant(s)/Respondent(s): Access Insurance Company	Person or entity completing sheet is: <input checked="" type="checkbox"/> Attorney for Plaintiff/Petitioner <input type="checkbox"/> Pro Se Plaintiff/Petitioner <input type="checkbox"/> Title IV-D Agency <input type="checkbox"/> Other: _____ Additional Parties in Child Support Case: Custodial Parent: _____ Non-Custodial Parent: _____ Presumed Father: _____
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[Attach additional page as necessary to list all parties]

2. Indicate case type, or identify the most important issue in the case (select only 1):				
<i>Civil</i>			<i>Family Law</i>	
Contract <i>Debt/Contract</i> <input type="checkbox"/> Consumer/DTPA <input type="checkbox"/> Debt/Contract <input type="checkbox"/> Fraud/Misrepresentation <input type="checkbox"/> Other Debt/Contract: _____ <i>Foreclosure</i> <input type="checkbox"/> Home Equity—Expedited <input type="checkbox"/> Other Foreclosure <input type="checkbox"/> Franchise <input type="checkbox"/> Insurance <input type="checkbox"/> Landlord/Tenant <input type="checkbox"/> Non-Competition <input type="checkbox"/> Partnership <input type="checkbox"/> Other Contract: _____	Injury or Damage <input type="checkbox"/> Assault/Battery <input type="checkbox"/> Construction <input type="checkbox"/> Defamation <i>Malpractice</i> <input type="checkbox"/> Accounting <input type="checkbox"/> Legal <input type="checkbox"/> Medical <input type="checkbox"/> Other Professional Liability: _____ <input type="checkbox"/> Motor Vehicle Accident <input type="checkbox"/> Premises <i>Product Liability</i> <input type="checkbox"/> Asbestos/Silica <input type="checkbox"/> Other Product Liability List Product: _____ <input type="checkbox"/> Other Injury or Damage: _____	Real Property <input type="checkbox"/> Eminent Domain/Condemnation <input type="checkbox"/> Partition <input type="checkbox"/> Quiet Title <input type="checkbox"/> Trespass to Try Title <input type="checkbox"/> Other Property: _____ Related to Criminal Matters <input type="checkbox"/> Expunction <input type="checkbox"/> Judgment Nisi <input type="checkbox"/> Non-Disclosure <input type="checkbox"/> Seizure/Forfeiture <input type="checkbox"/> Writ of Habeas Corpus—Pre-indictment <input type="checkbox"/> Other: _____	Marriage Relationship <input type="checkbox"/> Annulment <input type="checkbox"/> Declare Marriage Void <i>Divorce</i> <input type="checkbox"/> With Children <input type="checkbox"/> No Children	Post-judgment Actions (non-Title IV-D) <input type="checkbox"/> Enforcement <input type="checkbox"/> Modification—Custody <input type="checkbox"/> Modification—Other Title IV-D <input type="checkbox"/> Enforcement/Modification <input type="checkbox"/> Paternity <input type="checkbox"/> Reciprocal (UIFSA) <input type="checkbox"/> Support Order
Employment <input type="checkbox"/> Discrimination <input type="checkbox"/> Retaliation <input type="checkbox"/> Termination <input type="checkbox"/> Workers' Compensation <input type="checkbox"/> Other Employment: _____	Other Civil <input type="checkbox"/> Administrative Appeal <input type="checkbox"/> Antitrust/Unfair Competition <input type="checkbox"/> Code Violations <input type="checkbox"/> Foreign Judgment <input type="checkbox"/> Intellectual Property <input type="checkbox"/> Lawyer Discipline <input type="checkbox"/> Perpetuate Testimony <input type="checkbox"/> Securities/Stock <input type="checkbox"/> Tortious Interference <input checked="" type="checkbox"/> Other: Receiver		Other Family Law <input type="checkbox"/> Enforce Foreign Judgment <input type="checkbox"/> Habeas Corpus <input type="checkbox"/> Name Change <input type="checkbox"/> Protective Order <input type="checkbox"/> Removal of Disabilities of Minority <input type="checkbox"/> Other: _____	Parent-Child Relationship <input type="checkbox"/> Adoption/Adoption with Termination <input type="checkbox"/> Child Protection <input type="checkbox"/> Child Support <input type="checkbox"/> Custody or Visitation <input type="checkbox"/> Gestational Parenting <input type="checkbox"/> Grandparent Access <input type="checkbox"/> Parentage/Paternity <input type="checkbox"/> Termination of Parental Rights <input type="checkbox"/> Other Parent-Child: _____
Tax <input type="checkbox"/> Tax Appraisal <input type="checkbox"/> Tax Delinquency <input type="checkbox"/> Other Tax	Probate & Mental Health <i>Probate/Wills/Intestate Administration</i> <input type="checkbox"/> Dependent Administration <input type="checkbox"/> Independent Administration <input type="checkbox"/> Other Estate Proceedings <input type="checkbox"/> Guardianship—Adult <input type="checkbox"/> Guardianship—Minor <input type="checkbox"/> Mental Health <input type="checkbox"/> Other: _____			

3. Indicate procedure or remedy, if applicable (may select more than 1):		
<input type="checkbox"/> Appeal from Municipal or Justice Court <input type="checkbox"/> Arbitration-related <input type="checkbox"/> Attachment <input type="checkbox"/> Bill of Review <input type="checkbox"/> Certiorari <input type="checkbox"/> Class Action	<input type="checkbox"/> Declaratory Judgment <input type="checkbox"/> Garnishment <input type="checkbox"/> Interpleader <input type="checkbox"/> License <input type="checkbox"/> Mandamus <input type="checkbox"/> Post-judgment	<input type="checkbox"/> Prejudgment Remedy <input type="checkbox"/> Protective Order <input checked="" type="checkbox"/> Receiver <input type="checkbox"/> Sequestration <input checked="" type="checkbox"/> Temporary Restraining Order/Injunction <input type="checkbox"/> Turnover

4. Indicate damages sought (do not select if it is a family law case):
<input type="checkbox"/> Less than \$100,000, including damages of any kind, penalties, costs, expenses, pre-judgment interest, and attorney fees <input checked="" type="checkbox"/> Less than \$100,000 and non-monetary relief <input type="checkbox"/> Over \$100,000 but not more than \$200,000 <input type="checkbox"/> Over \$200,000 but not more than \$1,000,000 <input type="checkbox"/> Over \$1,000,000