

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

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

**FIRST SUPPLEMENT TO APPLICATION FOR APPROVAL OF FEES AND EXPENSES**

TO THE HONORABLE JUDGE OF SAID COURT:

CANTILO & BENNETT, L.L.P., Special Deputy Receiver of Access Insurance Company (the “SDR” and “AIC” respectively), files its *First Supplement to Application for Approval of Fees and Expenses* (the “Application”).

**I. BACKGROUND**

1.1. On March 13, 2018, the Court entered an *Agreed Order Appointing Liquidator, Permanent Injunction, and Notice of Automatic Stay* appointing the Texas Commissioner of Insurance as Liquidator of AIC. Effective March 13, 2018, the Texas Commissioner of Insurance, as Liquidator, appointed CANTILO & BENNETT, L.L.P. as Special Deputy Receiver of AIC.

**II. JURISDICTION**

2.1. This Court has jurisdiction over the subject matter of this Application and of the parties herein pursuant to TEX. INS. CODE § 443.005.

**III. STATUTORY AUTHORITY**

3.1 The SDR is authorized to file this Application pursuant to TEX. INS. CODE § 443.015, which provides for the approval of the SDR’s expenses and compensation by the Court. The subject matter of this Application has been referred to the Special Master.

#### **IV. BASIS FOR APPLICATION**

4.1 TEX. INS. CODE § 443.015(c)(1) requires the Receiver to submit an application for the approval of the terms of compensation of a contractor when the Receiver reasonably expects that the total amount of compensation to be paid over the course of the proceeding will exceed Two Hundred Fifty Thousand Dollars (\$250,000), or such another amount established by the Court. In addition, TEX. INS. CODE § 443.015(d) permits the Receiver, at his discretion, to submit an application to approve any compensation, anticipated expenses, or incurred expenses not described by Subsection (c)(1).

4.2 This Court previously approved the SDR's original application on April 17, 2018. The SDR now files this first supplement to the application to request approval of additional employees and contractors. The new contractors or individuals and their proposed rates are identified on the attached Exhibit A. It is anticipated that the compensation paid to some of the new contractors will exceed \$250,000 for the duration of this proceeding. In addition, it is anticipated that some of the SDR's new contractors will be paid less than \$250,000 for the duration of this proceeding. The SDR requests the Court to approve such contractors pursuant to TEX. INS. CODE § 443.015 (c)(1) and (d). These rates have been approved by the Receiver in accordance with TEX. INS. CODE § 443.154(a).

4.3 The SDR requests that the Court approve the SDR's First Supplement to Application for Approval of Fees and Expenses for the individuals and entities identified on the attached Exhibit A.

#### **V. NOTICE**

5.1 The SDR has served this Application to all known parties in interest, including all affected guaranty associations, and all individuals and entities identified by the SDR in the

Certificate of Service by e-mail and, as noted, by mail or overnight delivery to certain government agencies.

## **VI. OFFER OF PROOF AND VERIFICATION**

6.1 This Application is verified by the affidavit and certification pursuant to TEX. INS. CODE § 443.017(b) by Susan E. Salch, Partner in CANTILO & BENNETT, L.L.P., Special Deputy Receiver of Access Insurance Company.

## **VII. NOTICE OF ELECTRONIC SERVICE REQUIREMENT**

7.1 All pleadings filed in response to this Application or in regard to this estate shall be served by e-mail on the undersigned counsel and all parties shown in the attached Certificate of Service.

## **PRAYER**

WHEREFORE, PREMISES CONSIDERED, CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver of Access Insurance Company, prays that this Court grant this Application and grant the SDR such other and further relief to which it may justly entitled.

Respectfully submitted,

FULLER LAW GROUP

By: /s/Christopher Fuller

Christopher Fuller

Texas Bar No. 07515500

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Telephone: (512) 470-9544

Email: [cfuller@fullerlaw.org](mailto:cfuller@fullerlaw.org)

**Attorney for CANTILO & BENNETT, LLP,  
Special Deputy Receiver of Access Insurance Co.**

## CERTIFICATE OF SERVICE

I certify that on December 3, 2018 the foregoing Application served pursuant to the Court's order requiring electronic service, the Texas Rules of Civil Procedure and TEX. INS. CODE CHAPTER 443.007(d) on the following by electronic mail, except as specifically noted:

*Via Email:* [specialmasterclerk@tdi.texas.gov](mailto:specialmasterclerk@tdi.texas.gov)  
Special Master's Clerk  
Rehabilitation & Liquidation Oversight  
TEXAS DEPARTMENT OF INSURANCE  
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*Attorneys for Allianz Risk Transfer AG (Bermuda  
Branch)*

*/s/Christopher Fuller*  
\_\_\_\_\_  
Christopher Fuller

## APPLICANT'S NOTICE OF SUBMISSION

Pursuant to the terms of the Order of Reference to Master entered by the District Court in this cause, the SDR's *First Supplement to Application for Approval of Fees and Expenses* is hereby set for written submission before the Special Master, Tom Collins, on December 17, 2018.

The Special Master has asked that the following rules be provided you:

1. Any objection must be filed with the Travis County District Clerk at least three (3) calendar days before the submission date.
2. A copy of any objection shall be served by email by such date on:
  - (a) The Special Master's Docket Clerk, at [specialmasterclerk@tdi.texas.gov](mailto:specialmasterclerk@tdi.texas.gov);
  - (b) The undersigned counsel, Christopher Fuller at [cfuller@fullerlaw.org](mailto:cfuller@fullerlaw.org); and
  - (c) All interested parties, including those listed on the SDR's Certificate of Service.
3. The objecting party shall coordinate with the SDR's counsel and the Docket Clerk [(512) 667-6915] to obtain an oral hearing setting for argument on the Application and Objection, and complete and attach an "Objecting Party's Notice of Oral Hearing" to the objection.
4. The written objection must specifically list all reasons for objection with supporting references to and discussion of statutory and case authorities. Reasons not stated in writing will not be considered orally.
5. **Please note that if an objection is not filed as described in the Notice of Submission, the Master may consider the Application without a hearing.**
6. **Failure to file timely a written objection before the Special Master constitutes a waiver of the right to object to the Special Master's recommendation to the District Court.**
7. Any Acknowledgment of Notice and Waiver to be filed by the Guaranty Association or other interested party should be filed at least three (3) calendar days before the submission or hearing date.

/s/Christopher Fuller

Christopher Fuller

**SPECIAL DEPUTY RECEIVER'S VERIFICATION AND CERTIFICATION  
PURSUANT TO TEX. INS.CODE ANN. §443.017(b)**

**AFFIDAVIT OF SUSAN E. SALCH**

State of Texas

County of Travis

BEFORE ME, the undersigned authority appeared Susan E. Salch, who after being by me duly sworn, stated the following under oath:

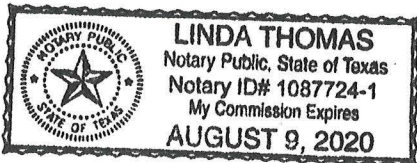
1. "My name is Susan E. Salch. I am of sound mind, capable of making this affidavit, and am competent to testify to the matters contained in this affidavit.
2. I am a partner in CANTILO & BENNETT, L.L.P., the Special Deputy Receiver of Access Insurance Company (the "SDR" and "AIC" respectively), I am duly authorized to make this Affidavit on behalf of the SDR.
3. I have reviewed the *First Supplement to Application for Approval of Fees and Expenses* and the facts stated therein are true and correct based on my personal knowledge, my review of estate records and my consultation with the staff and subcontractors.
4. I certify that the exhibits, books, accounts, records, papers, correspondence, and/or other records and documents attached hereto were produced pursuant to TEX. INS. CODE § 443.017, are either true and correct copies of records of AIC and were received from the custody of AIC or found among its effects, or were created by and filed with the Receiver's office in connection with the receivership of this delinquent agency, and are held by the Special Deputy Receiver in its official capacity."

By:   
Susan E. Salch

**SUBSCRIBED AND SWORN TO BEFORE ME** on December 3, 2018, by Susan E. Salch, partner in CANTILO & BENNETT, L.L.P., Special Deputy Receiver of Access Insurance Company



Notary Public





**FIRST SUPPLEMENT TO APPLICATION FOR APPROVAL OF FEES & EXPENSES**  
**EXHIBIT A - FEE SCHEDULE**

**CANTILO & BENNETT, L.L.P.**

*Special Deputy Receiver*

<u>Position</u>	<u>Hourly Rate</u>
Primary Responsible Person/SDR Administration	\$200.00
SDR Administration	\$200.00
SDR Administration	\$200.00
SDR Administration	\$200.00
SDR Administration	\$200.00
SDR Administration	\$175.00
SDR Administration	\$150.00
SDR Administration	\$150.00
SDR Administration	\$150.00
SDR Administration	\$150.00
SDR Administration	\$150.00
Senior Receivership Specialist	\$125.00
Receivership Specialist	\$120.00
Receivership Specialist	\$120.00
Law Clerk	\$110.00
Administrative/Clerical	\$ 30.00

**FULLER LAW GROUP**

*Legal/Litigation Services Subcontractor*

Attorney/SDR Counsel	\$250.00
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**GREG PIERCE, ESQ.**

*Legal Subcontractor*

Attorney/SDR Counsel	\$200.00
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**INQUEST RESOURCES**

*Legal Support Services Subcontractor*  
*Information Technology/Data Processing Subcontractor*

Paralegal	\$ 75.00
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Receivership Specialist I	\$ 75.00
Receivership Specialist II	\$ 45.00
Administrative/Clerical	\$ 30.00

**PETROSEWICZ & CO., INC.**

*Accounting Services Subcontractor*

CPA	\$180.00
CPA	\$180.00
Staff Accountant	\$105.00
Staff Accountant	\$105.00
Clerical Staff	\$ 30.00

**EMKAY ASSOCIATES, INC.**

*Claims Services*

Claims Manager and Consultant	\$ 95.00
Claims Management and Consulting	\$ 85.00
Claims Management and Consulting, Site Management	\$ 85.00
Claims Management and Consulting	\$ 65.00
Claims Management and Consulting	\$45.00
Records Inventory and Management	\$ 35.00
Clerical	\$ 30.00

**ABACI, INC.**

*Information Technology/Data Processing Subcontractor*

Project Manager/Business Analyst/Application Designer	\$ 95.00
Technical Analyst/Application Designer/Conversion Specialist	\$ 90.00

**THARP & ASSOCIATES**

*Reinsurance*

Reinsurance Consultant	\$225.00
Reinsurance Consultant	\$225.00
Corporate Controller/Accountant	\$185.00
IT/Database Administrator	\$185.00

**GORBY, PETERS & ASSOCIATES, LLC**

*Local Counsel (Georgia)*

Partner	\$185.00
Partner	\$170.00
Associate	\$160.00
Paralegal	\$100.00

**MERLINOS & ASSOCIATES, INC.**

*Actuarial Consulting Services*

Principal, Consulting Actuary	\$295.00
Consulting Actuary	\$270.00
Consultant	\$225.00
Consultant	\$190.00
Consultant	\$170.00
Consultant	\$170.00