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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 Department 15 **RECEIVER'S TWENTY-EIGHTH STATUS REPORT**

COMES NOW, the Commissioner of Insurance[1] and CANTILO & BENNETT, L.L.P., Special Deputy Receiver ("SDR"), and files this Receiver's 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).

[1] Ned Gaines was named as the Nevada Insurance Commissioner effective October 6, 2025. Pursuant to NRCP 25(d), when a public officer stops holding office while an action is pending, "[t]he officer's successor is automatically substituted as a party."

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 that initially described receivership matters, Spirit was part of an Insurance Holding Company System and in large part it only did business with other members of that system. Included with those members were some of the following: (1) CTC Transportation Insurance Services of Missouri, LLC, with offices in Missouri, New Jersey, and California, served as the program administrator and managing general agent for Spirit; (2) Criterion Claims Solutions of Omaha, Inc. ("Criterion") was the third-party claims administrator for Spirit; (3) Lexicon Insurance Management LLC was the captive manager for the company (after Risk Services initially served in that role through circa July 2018); (4) Chelsea Financial Group, Inc. provided premium financing services for the majority of Spirit's policies; and (5) 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.[2] All of these companies were taking a portion of the premium

[2] 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).

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dollars from Spirit-issued policies.

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

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

1) that the Company's in-force insurance policies are to be canceled effective on the earlier of April 15, 2019, or the date when the insured ceased making premium payments to Spirit;

2) that the Receiver may impose a full suspension on all disbursements owed by Spirit, including insurance policy disbursements, and costs related to the defense or adjudication of insurance policy claims;

3) that the receivership court has exclusive jurisdiction over all matters pertaining to Spirit and all persons are enjoined from commencing, bringing, maintaining, or further prosecuting any action at law, suit in equity, arbitration, or special or other proceeding against the Company, Receiver, or Special Deputy Receiver;

4) that the Receiver is vested with exclusive title both legal and equitable to all of Spirit's property wherever located, to administer under the general supervisions of the Court;

5) that the Receiver may change to her own name, the name of any of Spirit's accounts, funds, or other property or assets, held with any bank, savings and loan association, other financial institution, or any other person, wherever located, and may withdraw such funds, accounts and other assets from such institutions or take any lesser action necessary for the proper conduct of the receivership; and

6) that the Receiver is authorized to establish a receivership claims and appeal procedure, for all receivership claims. The receivership claims and appeals procedures shall be used to

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

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

II.

RECEIVERSHIP ADMINISTRATION

A. Notice of Developments in Receivership

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

B. Claims Administration and Third-Party Support Services

TRISTAR Risk Management ("TRISTAR") assisted the Receiver in evaluating the Proofs of Claim ("POCs") that have been received. TRISTAR's initial work for the estate included an evaluation of the outstanding policy claims liabilities of the estate. TRISTAR's work in this regard is detailed in the Sixth Status Report and exhibits thereto. TRISTAR has since assisted the Receiver in evaluating and determining the POCs filed in the Spirit estate. Through the appeals phase of the claims process for the estate (*i.e.*, as claimants submit appeals of the Receiver's claim determinations), TRISTAR will evaluate the appeal submissions from claimants and make recommendations to the Receiver regarding proposed

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resolutions of such appeals. The Receiver anticipates that it will continue to utilize TRISTAR's assistance for claims matters, on an as-needed basis, until all claims and appeals of the estate are resolved. The Receiver also anticipates that TRISTAR will continue to maintain the estate's electronic claim records, and to assist with any required Medicare Secondary Payor reporting, through the claim distributions phase of the receivership. The Receiver will continue to evaluate the need for TRISTAR's assistance and will continue to report TRISTAR's ongoing work for the estate.

The Claims Filing Deadline expired on May 31, 2021. Approximately one thousand four hundred seventy-two (1,472) POC submissions have been received and logged by the SDR to date. One thousand three hundred ninety-six (1,396) of these filed POCs required a written Notice of Claim Determination ("NCD").[3]

The Receiver has evaluated the claims against the estate and mailed written NCDs to claimants—and these notices advise claimants of whether their claims are approved (in full or in part) or denied. Approximately one thousand three hundred ninety-five(1,395) NCDs have been completed and mailed to the claimants to date. The Receiver has posted a status update (*i.e.*, advising that POCs are in the process of being evaluated) to the home page of the Spirit receivership web site. Approximately eighty-eight (88) objections to the Receiver's claim determinations have been received to date. Enclosed is a report on the determination of the Receiver on each claim approved in whole or in part through September 30, 2025, as well as a report of each claim determination to which an objection has been filed[4] pursuant to NRS 696B.330(6-8). A copy of the claims report, without the names of the claimants, is being submitted as **Exhibit 1** to this report.[5]

The Order Granting Motion to Establish Claims Appeal Process and Procedure and for the

[3] Seventy-Six (76) POCs will not receive NCDs. Eleven POCs (11) were withdrawn by the claimants, three (3) were rejected in writing by the SDR (*i.e.*, due to being related to a different insurance company), thirteen (13) could not be processed due to the POC form being almost entirely incomplete, seven (7) were closed by the SDR due to the file being opened in error (*i.e.*, a different POC number had already been opened for the claim), and thirteen (13) were duplicate submissions by the claimant, and have been consolidated under the POC number assigned to the claimant's original submission. An additional twenty-nine (29) POCs have been filed late, after the bar date that was set by this Court – these claimants have or will receive notices that their claim is barred and cannot be processed by the Receiver.

[4] The report on these objections will be updated to reflect the Court's determination of each objection once hearings have been held, pursuant to NRS 696B.330, and final orders are entered by the Court thereon.

[5] Individual claimant names have been removed from the public document out of concern for privacy. Exhibit 1 submitted to the Court for in camera review includes claimants' names.

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Appointment of a Special Master to Assist with the Same was entered on March 3, 2023. The Order appoints two Special Masters to preside over appeal hearings, and sets out the procedures for such appeals, as well as the procedure for certain other appeals which are to be reviewed by the receivership court. The above-referenced motions and orders have been posted to the receivership web site, **www.spiritinsure.com** ("Receivership Documents" tab).

Counsel for the Receiver is working with the Special Masters to schedule appeal hearings and briefing schedules. As claims are scheduled for hearing, counsel for the Receiver is notifying claimants of the time and place for the hearing of their objections, as well as the briefing schedule. Additional hearings will continue to be scheduled on a rolling basis as needed. As appeals are resolved through the hearing process, the Receiver will update the claim and appeal report exhibits to the status report to reflect the appeal resolution and the final determination of the claims. The Court's final orders concerning the claim objections are final orders appealable to the Nevada Supreme Court.

To date, there have been three such appeals to the Nevada Supreme Court. The first has been resolved by the Nevada Supreme Court's January 16, 2025, ruling in Protective Ins. Co. v. Comm'r of Ins., 141 Nev. Adv. Op. 3, 562 P.3d 215, 216 (2025). The Nevada Supreme Court affirmed the Receivership Court's final order, which had affirmed the Receiver's classification of Protective Insurance's subrogation claim as a Class G claim pursuant to NRS 696B.420(1)(g). The Supreme Court confirmed that NRS 696B.420(1)(b) (*i.e.*, "Class B") does not include a private insurer's subrogation claim. The second appeal to the Supreme Court was heard in oral arguments held on October 14, 2025, and a decision by the Supreme Court remains pending. A third appeal was filed on May 16, 2025, and remains pending with the claimant's opening brief due to be filed in December 2025.

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 sent letters 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. No amendment or supplement from the United States has been received as of the date of this report. The Receiver has also written to the Centers for Medicare and Medicaid Services ("CMS"), seeking policy guidance regarding

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the applicability of certain claim reporting requirements for the Spirit receivership. The CMS written response did not clarify the regulatory requirements for the Spirit estate. This and other federal claim issues are anticipated to be addressed by the Receiver in a motion to this Court for approval of a pro rata distribution of estate assets for the approved Class B claims of the estate.

The policy data of Spirit is held in the Aspire Information System ("Aspire"), which was created by Maple Technologies. The Aspire system has value to the receivership during the pendency of the POC process and certain litigation matters. At the outset of the receivership, the Receiver worked with Maple Technologies to continue Spirit's pre-receivership arrangement.

Actuarial firm Oliver Wyman Actuarial Consulting, Inc. ("Oliver Wyman") has been engaged to prepare actuarial estimates for Spirit's claims and future losses and continues as a consultant.

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

PALOMAR FINANCIAL, LC ("Palomar") is an affiliated company of the Special Deputy Receiver and performs financial and technical administrative support services for Spirit in receivership—and those services are now being performed by Palomar. Palomar is being used to facilitate the receivership's administration of financial matters. The Receiver, with assistance from Palomar, has finalized all outstanding premium tax matters for the Company, including tax matters that remained outstanding and overdue by former Spirit leadership at the outset of the receivership, and routine reporting continues as required for certain state jurisdictions.

As the Court is aware, the Receiver has engaged the law firm of Greenberg Traurig LLP ("Greenberg Traurig") as counsel in this receivership matter. Additionally, on August 12, 2025, the Court approved the rates of Lowenstein Sandler LLP ("Lowenstein"). The Lowenstein firm will assist the Receiver in evaluating coverage issues and pursuing applicable insurance and is evaluating issues regarding insurance purchased by the CTC Entities.

The Receiver has received notice from time to time of lawsuits filed against Spirit in violation of the Court's Permanent Receivership Order. The Receiver will continue its established procedure of writing to the parties involved to inform them of the injunctions of the Permanent Receivership Order and request a voluntary dismissal of Spirit from the matter. In limited cases and only when absolutely

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necessary, the Receiver will engage outside counsel to address ongoing or repeated violations of this Court's orders.

C. Records

The Receiver has made efforts to secure Spirit's electronic records from third parties. The Receiver will continue with the evaluation of the Company and will continue gathering the Company's records and data. This process will remain ongoing.

D. Reinsurance

At the outset of receivership, Spirit had two active casualty excess of loss reinsurance agreements with Wesco Insurance Company ("Wesco") which each covered claims occurring between January 1, 2017, and December 31, 2019. Certain claims against the estate were subject to reinsurance coverage, depending on the date of loss and whether the approved or paid amount for the claim met the retention point for excess of loss coverage under the policy. Over the course of the receivership, the Receiver has tracked and reported to Wesco on a quarterly basis the claims that qualified for coverage under the 2017 XOL Treaties. The treaties also provided Spirit with the option to commute the treaties for a specified amount in exchange for releasing the reinsurer from all liabilities under the agreements. The Receiver evaluated the potential recovery for the estate for the submission of claims for coverage, versus a commutation of the treaties. The Receiver determined that the amount due under the commutation (*i.e.*, $3,884,157.00) would substantially exceed the amount that could potentially be collected for claims under the treaties, even if all outstanding NCDs and appeals were approved at the maximum claimed amounts (or policy limits as the case may be). Thus, on March 27, 2025, the Receiver filed a Motion to Approve Commutation Agreement. This Court granted the motion on April 28, 2025. The commutation funds, in the amount of $3,884,157, were collected by the Receiver on May 16, 2025.

E. Asset Recovery Litigation and Arbitration

On February 6, 2020, the Receiver filed an asset recovery lawsuit against a number of parties, including Thomas Mulligan, CTC Transportation Insurance Services of Missouri, LLC, CTC Transportation Insurance Services, LLC, and CTC Transportation Insurance Services of Hawaii, LLC ("CTC"), Criterion, Spirit's former directors and officers, various other former vendors of Spirit, and

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various other related persons and entities ("Asset Recovery Lawsuit").[6] The Asset Recovery Lawsuit was filed in the Eighth Judicial District Court of Clark County, Nevada, and assigned Case No. A-20-809963-B. Although the majority of Defendants filed answers to the Asset Recovery Lawsuit, CTC and Criterion Claim Solutions of Omaha, Inc. each filed Motions to Compel Arbitration of the claims asserted by the Receiver in her asset recovery lawsuit. The Motions to Compel Arbitration were granted by Judge Denton and thereafter nine of the defendants[7] filed a Motion to Stay Pending Arbitration, and joinders were filed by nineteen additional defendants.

On April 1, 2021, the Receiver filed a Petition for Writ of Mandamus in the Nevada Supreme Court regarding, *inter alia* (1) the Court's July 17, 2020, Order Granting CTC Defendants' Motion to Compel Arbitration; (2) the Court's July 22, 2020, Order Granting Criterion Claim Solution's Motion to Compel Arbitration; and (3) the Court's November 17, 2020, Order Granting the Motion to Stay Pending Arbitration and all Joinders Thereto. On February 18, 2022, the Nevada Supreme Court denied the Receiver's petition for writ of mandamus — thereby requiring the Receiver to pursue two separate arbitration proceedings to recover Spirit's assets (*i.e.*, while litigation against the remaining defendants is stayed pending the outcome of the separate arbitration proceedings). The case was stayed pending the outcome of arbitration proceedings.

Both arbitration proceedings have now concluded, subject to post-judgment motions.

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[6] The Defendants in the Asset Recovery Lawsuit are: Thomas Mulligan, an Individual; CTC; Criterion; Pavel Kapelnikov, an Individual; Chelsea Financial Group, Inc., a California Corporation; Chelsea Financial Group, Inc., a Missouri Corporation; Chelsea Financial Group, Inc., a New Jersey Corporation D/B/A Chelsea Premium Finance Corporation; Chelsea Financial Group, Inc., a Delaware Corporation; Chelsea Holding Company, LLC, a Nevada Limited Liability Company; Chelsea Holdings, LLC, a Nevada Limited Liability Company; Fourgorean Capital, LLC, a New Jersey Limited Liability Company; Kapa Management Consulting, Inc., a New Jersey Corporation; Kapa Ventures, Inc., a New Jersey Corporation; Global Forwarding Enterprises Limited Liability Company, a New Jersey Limited Liability Company; Global Capital Group, LLC, a New Jersey Limited Liability Company; Global Consulting; New Tech Capital, LLC, a Delaware Limited Liability Company; Lexicon Insurance Management LLC, a North Carolina Limited Liability Company; Icap Management Solutions, LLC, a Vermont Limited Liability Company; Six Eleven LLC, a Missouri Limited Liability Company; 10-4 Preferred Risk Managers Inc., a Missouri Corporation; Ironjab LLC, a New Jersey Limited Liability Company; Yanina G. Kapelnikov, an Individual; Igor Kapelnikov, an Individual; Quote My Rig LLC, a New Jersey Limited Liability Company; Matthew Simon, an Individual; Daniel George, an Individual; John Maloney, an Individual; James Marx, an Individual; Carlos Torres, an Individual; Virginia Torres, an Individual; Scott McCrae, an Individual; Brenda Guffey, an Individual; 195 Gluten Free LLC, a New Jersey Limited Liability Company, Doe Individuals I-X; and Roe Corporate Entities I-X. The Receiver's previous Twelfth Status Report provides the dates that answers to the suit were filed by the defendants.

[7] 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").

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As discussed in prior status reports, the Receiver and Criterion agreed to a Stipulated Dismissal of the Receiver's arbitration demand/complaint against Criterion.

The Receiver initiated arbitration against CTC on August 2, 2022 ("CTC Arbitration"). Pursuant to the terms of the Program Administrator Agreement ("PSA"), the arbitration thereafter proceeded with a three-person arbitration panel.[8] Despite the arbitration starting on August 2, 2022, there were numerous delays by CTC and CTC was sanctioned by the Arbitration Panel for discovery misconduct. Ultimately, the close of discovery was December 3, 2024, and the arbitration hearing took place on February 3-4, 2025. On March 11, 2025, the Arbitration Panel rendered its decision and awarded Spirit a total of \$82,909,671.00 in damages (\$44,022,915.00 in principal, and \$38,886,756.00 in interest). Interest continues to accrue on the award daily. This Court entered an order confirming the Arbitration Award on June 6, 2025.

The CTC entities have ignored the Receiver's demands for payment of the Arbitration Award, and the Receiver is taking further legal action to collect the judgment. The Receiver filed petitions for relief under Chapter 7 of the U.S. Bankruptcy Code, against CTC California and CTC Missouri.[9] The petitions were granted in September 2025. The Receiver also filed a declaratory judgment action in the Southern District of California against the insurance carriers for the CTC defendants, to collect insurance coverage of the Arbitration Award. The court in the California declaratory judgment action found the action is related to the bankruptcy proceedings and referred the case against CTC's insurers to the bankruptcy court on October 22, 2025. The insurance carriers had previously filed their own declaratory judgment action against CTC and Tom Mulligan in New Jersey. This New Jersey action has now also been stayed due to the CTC bankruptcies.

With the completion of the arbitration proceedings against Criterion and CTC, the stay has been lifted in the Asset Recovery Lawsuit and discovery is underway. The Receiver has propounded written discovery and is in the process of taking a number of depositions. Written discovery was due to be produced by October 8, 2025. However, some defendants have made insufficient productions or have

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[8] The arbitrators for this matter are Robert Hall, Ret. Judge Elizabeth Gonzalez, and Susan Claflin will serve as the umpire ("Arbitration Panel"). The Receiver is responsible to pay Mr. Hall's fees and half of Ms. Claflin's fees associated with the arbitration. CTC will pay Judge Gonzalez's fees and half the fees of Ms. Claflin.

[9] County Hall Insurance Company, Inc. filed such a petition against CTC Hawaii on October 3, 2025, which was granted on October 30, 2025.

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failed to meet discovery deadlines entirely. As in the arbitration proceeding, the Receiver has had to file motions to compel, and will also seek sanctions where appropriate against defendants that violate the discovery orders of the court. Expert reports are due on December 5, 2025, and discovery is scheduled to close on March 9, 2026. A jury trial is set on a five-week stack to begin on May 27, 2026.

F. Receivership Assets and Liabilities

The Receiver has been gathering information and evaluating the assets and liabilities of Spirit. The Receiver's liability analysis will continue to evolve as the claims of the estate are determined and asset recoveries are made. 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, which is nearly $90 million and accruing interest daily, as referenced above. Other parties also owe damages to Spirit. The Receiver filed the Asset Recovery Lawsuit seeking the return of this money *inter alia* as detailed above and has also pursued and won claims in arbitration as also detailed above.

2. The cash and invested assets of the Company were approximately $33,891,210 as of September 30, 2025.

3. Other Personal Property or Real Property Assets: There is no known tangible personal property or real property owned by the Company.

4. Reinsurance Commutation: The Receiver received $3,884,157 from Wesco on May 16, 2025.

We are enclosing the consultants and SDR bills paid or approved for payment since the last status report filed with the Court, and the detailed billings are submitted *in-camera*, with summaries of such bills being submitted as **Exhibit 2** to this report.[10] The Receiver is including, as **Exhibit 3** attached

[10] 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

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hereto, a cash flow report for September 30, 2025, reflecting recoveries, disbursements, and cash flow since the receivership began.

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 Status Report and the actions taken by the Receiver.

DATED this 7th day of November 2025.

Respectfully submitted:

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

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Exhibits may be requested by contacting the Special Deputy Receiver at 512-478-6000

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)).

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