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MOT
MARK E. FERRARIO, ESQ.
Nevada Bar No. 01625
KARA B. HENDRICKS, ESQ.
Nevada Bar No. 07743
JERRELL L. BERRIOS, ESQ.
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GREENBERG TRAURIG, LLP
10845 Griffith Peak Drive, Suite 600
Las Vegas, Nevada 89135
Telephone: 702.792.3773
Facsimile: 702.792.9002
Email: ferrariom@gtlaw.com
hendricksk@gtlaw.com
berriosj@gtlaw.com

Counsel for Petitioner

**EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA**

SCOTT J. KIPPER, COMMISSIONER OF
INSURANCE, STATE OF NEVADA,

Petitioner,

vs.

FRIDAY HEALTH PLANS OF NEVADA, INC.,

Defendant.

CASE NO. A-23-871639-C
DEPARTMENT 18

[NO HEARING REQUESTED]

**MOTION TO APPROVE RATES
OF SPECIAL DEPUTY RECEIVER
AND EXAMINATION
RESOURCES, LLC**

Petitioner, SCOTT J. KIPPER, COMMISSIONER OF INSURANCE, STATE OF NEVADA as Receiver (“Receiver”) for FRIDAY HEALTH PLANS OF NEVADA, INC. (“Friday Health”), by and through his counsel, the law firm of Greenberg Traurig, LLP, moves for an order approving, ratifying, and confirming the rates of the Special Deputy Receiver and Examination Resources, LLC. Additionally, the Receiver moves for an order approving a procedure for paying invoices for such services in the future without pre-approval by the Court, with these paid invoices to be included alongside the statutorily required quarterly status reports.

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1 This motion is based on the papers and pleadings on file, the attached memorandum of
2 points and authorities, and any oral argument the Court permits on this matter.

3 DATED this 25th day of August, 2023

GREENBERG TRAURIG, LLP

4 */s/ Kara B. Hendricks*

5 MARK E. FERRARIO, ESQ.

Nevada Bar No. 01625

6 KARA B. HENDRICKS, ESQ.

Nevada Bar No. 07743

7 JERRELL L. BERRIOS, ESQ.

Nevada Bar No. 15504

8 10845 Griffith Peak Drive, Suite 600

9 Las Vegas, Nevada 89135

10 *Counsel for Petitioner*

11 **MEMORANDUM OF POINTS AND AUTHORITIES**

12 **I. INTRODUCTION & FACTUAL BACKGROUND**

13 Due to the rapidly declining financial condition of Friday Health Plans of Nevada, Inc.
14 (“Friday Health”), the Commissioner of Insurance petitioned this Court for an order appointing him
15 as the Receiver of Friday Health to oversee Friday Health’s operations and conserve or rehabilitate
16 it. On June 12, 2023, the Court entered its Order Granting Petition for Appointment of
17 Commissioner as Receiver (the “Receivership Order”). Thereafter on July 25, 2023, the Court
18 entered an Order finding Friday Health to be insolvent and ordering it into liquidation as of
19 September 1, 2023.

20 Pursuant to NRS 696B.255(1) and NRS 696B.290(6), the Receiver appointed Ellingson &
21 Associates, LLC to serve as the Special Deputy Receiver (“SDR”) in this matter. *See, Exhibit 1*
22 (appointment letter). To aid the SDR in matters requiring immediate attention the SDR has engaged
23 Examination Resources, LLC (“Examination Resources”) to assist with forensic accounting,
24 reinsurance collections, financial reporting, litigation support, and other liquidation support. *See,*
25 **Exhibit 2** (Examination Resource Agreement). The rates of the SDR and the rates of Examination
26 Resources have been approved by Scott J. Kipper, the Commissioner of Insurance. However, out
27 of an abundance of caution, through this motion, the Receiver seeks approval of the rates of the

28 ///

1 SDR and Examination Resources, LLC and seeks Court approval of the process and procedure
2 utilized to pay the same as the case moves forward.

3 **II. LEGAL ANALYSIS**

4 **A. Approval of Fees.**

5 NRS Chapter 696B is the statutory framework for receivership actions involving delinquent
6 insurers. Under NRS 696B, the Commissioner, as Receiver, may employ special deputies, clerks
7 and assistants considered necessary to further the estate's interests. NRS 696B.255(1). The
8 Commissioner, as Receiver, must fix the compensation for the special deputies and clerks, with the
9 approval of the Court. *Id.* Further, the Receiver's actions are subject to Court oversight, as the
10 statutes require the Receiver to file reports on at least a quarterly basis. NRS 696B.290(7). The
11 status reports must detail "the insurer's affairs under the receivership" and "progress being made in
12 accomplishing the objectives of the receivership." *Id.* Such reports, and all actions detailed therein,
13 are subject to the Court's approval. *Id.*

14 The Receiver seeks the Court's approval of the rates of Ellingson & Associates, LLC and
15 Examination Resources, LLC for the services they are and will continue to provide the receivership.

16 **1. Rates of SDR.**

17 The Receiver selected Ellingson & Associates, LLC to serve as the SDR based on Darren
18 Ellingson's experience, expertise, and ability to adequately represent the Receiver in the duties and
19 obligations under the Receivership Order. *See* Declaration of Darren Ellingson ("Ellingson Decl."),
20 ¶ 4, attached as **Exhibit 3**. Mr. Ellingson obtained his Juris Doctorate from Oklahoma City
21 University School of Law and has a Bachelor's Degree in Accounting and Business. *Id.* at ¶ 5.
22 Further, he is the managing partner of Ellingson & Associates, LLC and has an excellent reputation
23 in the insurance community having previously served as the Director of Insurance for the Arizona
24 Department of Insurance and the former Deputy Commissioner of Insurance for the Oklahoma
25 Insurance Department. *Id.* at ¶ 6.

26 The Receiver negotiated and approved the SDR's rate of \$250 an hour. *Id.* at ¶ 7. Rates for
27 staff will vary upon skill level and will not exceed that of the SDR. *Id.* The Receiver, in his sole
28 discretion, may make reasonable adjustments to the SDR's rate without court approval.

1 **2. Rates of Examination Resources.**

2 Examination Resources was engaged to assist with forensic accounting, reinsurance
3 collections, financial reporting, litigation support, and other liquidation support. *Id.* at ¶ 8.
4 Examination Resources is a well-respected entity that provides consulting services specializing in
5 insurance regulatory matters. *Id.* at ¶ 9. They have valuable experience with standards,
6 expectations and regulatory requirements in the insurance industry and will provide valuable
7 resources to the estate. Here, the Receiver negotiated, and approved Examination Resources' rates
8 as follows:

9

ROLE	HOURLY RATE
Manager	\$200.00
Supervisor	\$150.00
Examiner	\$135.00
Actuary	\$285.00
Specialist	\$150.00

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15 *Id.* at ¶ 9. These rates are reasonable given the scope of work to be performed by Examination
16 Resources and will provide savings to the estate as they are less than the costs that would be incurred
17 by the SDR or counsel. ¶ 10.

18 **B. Approval of Process for Payment Moving Forward.**

19 The Nevada Commissioner of Insurance as Receiver, pursuant to NRS 696B.255(1), has
20 approved the rates of the Ellingson & Associates, LLC, and Examination Resources. The Receiver
21 requests approval to pay Ellingson & Associates, LLC and Examination Resources going forward
22 without pre-approval by the Court, with those paid invoices to be submitted in the Receiver's
23 quarterly status reports to the Court for in camera review.¹ Submitting such invoices with quarterly

24 _____
25 ¹ Certain billings submitted to the Court are appropriate for *in-camera* review (as opposed to being
26 made part of a public filing). The invoices and billing entries relating thereto should be considered
27 privileged, confidential, or otherwise not subject to discovery. In this regard, courts have held that the bills
28 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 fee information revealed counsel's mental

1 reports will allow this Court to monitor the status of work performed by the SDR and Examination
2 Resources, LLC and is consistent with the approval process used in other receivership matters filed
3 in the Eighth Judicial District Court, including Case No. A-15-725244-C, Department No. 1, Case
4 No. A-19,787325-B, Department No. 27, and Case No. A-19-791409- C, Department No. 16.

5 **II. CONCLUSION**

6 Based on the foregoing, the Receiver respectfully requests that this Court approve the rates
7 of Ellingson & Associates, LLC, and Examination Resources. Additionally, the Receiver
8 respectfully requests the ability to pay Ellingson & Associates, LLC and Examination Resources at
9 the approved rates going forward without the need to file a separate motion seeking pre-approval
10 of the same and instead including such information with the required quarterly status reports
11 submitted to this Court.

12 DATED this 25th day of August, 2023

GREENBERG TRAURIG, LLP

13 */s/ Kara B. Hendricks*

14 MARK E. FERRARIO, ESQ.

Nevada Bar No. 01625

15 KARA B. HENDRICKS, ESQ.

16 Nevada Bar No. 07743

JERRELL L. BERRIOS, ESQ.

17 Nevada Bar No. 15504

18 10845 Griffith Peak Drive, Suite 600

19 Las Vegas, Nevada 89135

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22 _____
23 impressions concerning litigation strategy). Other courts addressing this issue recognized that the “attorney-
24 client privilege embraces attorney time, records and statements to the extent that they reveal litigation
25 strategy and the nature of the services provided.” *Real v. Cont’l Grp., Inc.*, 116 F.R.D. 211, 213 (N.D. Cal.
26 1986).

27 The *in-camera* review should apply not only to documentation concerning attorney’s fees, but it also
28 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)).

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 25th day of August 2023**, I caused a true and correct copy of the foregoing **MOTION TO APPROVE RATES OF SPECIAL DEPUTY RECEIVER AND EXAMINATION RESOURCES LLC** to be filed with the Clerk of Court using the Odyssey e-FileNV 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.

/s/ Evelyn Escobar-Gaddi
An employee of Greenberg Traurig, LLP

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INDEX OF EXHIBITS

EXHIBIT	DESCRIPTION	BATES RANGE
1	APPOINTMENT LETTER	001-004
2	EXAMINATION RESOURCE AGREEMENT	005-010
3	DECLARATION OF DARREN ELLINGSON	011-014

EXHIBIT 1

EXHIBIT 1

Appointment Letter

JOE LOMBARDO
Governor

STATE OF NEVADA

TERRY REYNOLDS
Director



SCOTT J. KIPPER
Commissioner

DEPARTMENT OF BUSINESS AND INDUSTRY

DIVISION OF INSURANCE

1818 East College Pkwy., Suite 103
Carson City, Nevada 89706
(775) 687-0700 • Fax (775) 687-0787
Website: doi.nv.gov
E-mail: insinfo@doi.nv.gov

May 19, 2023

Darren Ellingson
Ellingson & Associates, LLC
3212 N. 70th Street
Unit 1007
Scottsdale, AZ 85251

CONFIDENTIAL COMMUNICATION

Re: REVISED Letter of Engagement— Retention of Ellingson & Associates, LLC to Manage Delinquency Proceedings of Friday Health Plans of Nevada, Inc.

Dear Mr. Ellingson:

On March 31, 2023, the Nevada Division of Insurance (“Division”) issued and filed a Confidential Seizure Order and Confidential Petition (“Seizure Order”) pursuant to Nevada Revised Statutes (“NRS”) 696B.540 to seize the assets of Friday Health Plans of Nevada, Inc. (“Friday Health”). Pursuant to NRS Chapter 696B and the requirements set forth in the Seizure Order, the Division seeks to retain Ellingson & Associates, LLC (“Ellingson”) to manage and effectuate the delinquency proceedings for Friday Health. When and if the Division effectuates a receivership in this matter, this Letter of Engagement further engages Ellingson & Associates to administer and manage the receivership as the Special Deputy Receiver.

Ellingson shall be entitled, as authorized by the Division, to exercise the powers, authorities, and protections vested and provided in the Seizure Order, NRS Chapter 696B, and applicable law, as set forth in this Letter of Engagement.

In the event the court grants a receivership over Friday Health, this Letter of Engagement shall extend to services performed by Ellingson in managing the receivership at the pleasure of the receiver and, subject to the approval of the receiver, shall be entitled to exercise the powers and authorities and protections vested pursuant to the authority granted and Nevada law.

SCOPE

Ellingson shall act on behalf of and at the direction of the Commissioner to provide the services necessary to manage the delinquency proceedings of Friday Health. The Commissioner shall provide Ellingson with

Darren Ellingson
May 19, 2023
Page 2 of 3

a Letter of Appointment to reflect its authority under the Commissioner's direction. Ellingson is authorized to use its own staff as reasonable and necessary, and may request permission of the Commissioner to procure services of others as needed to properly manage affairs for Friday Health. It is hereby acknowledged and understood that Ellingson and those engaged by Ellingson are not employed by the State of Nevada or the Division, but shall consult with and make recommendations to the Commissioner, who shall make pertinent decisions involving Friday Health at the Commissioner's direction.

COMPENSATION

The fees for Ellingson are as follows:

<u>Contractor</u>	<u>Hourly Rate</u>
Ellingson & Associates, LLC	\$250.00 ¹

Ellingson's fees and costs, as well as the fees and costs of the other services engaged by Ellingson will be billed on a monthly basis. The invoices shall show the date that all work was performed and the costs incurred, along with a description of the item. Invoices are required to adhere to the policies and procedures detailed in the Instructions for Delinquency Proceeding Invoices, attached to this Letter of Engagement. All invoices shall be submitted to the Commissioner for review and approval before being presented to the company or estate, as applicable, for payment.

Ellingson shall be reimbursed for all actual expenses, which shall be borne by the company or receivership estate, as applicable, in accordance with Nevada law. Expenses must be reasonable and reasonably incurred by a person with the appropriate level of training for the service provided.

Should the company or receivership estate, as applicable, have insufficient funds to cover Ellingson's costs, Ellingson may submit a request to the Commissioner for an advance from the Nevada Division of Insurance, as authorized by Nevada law. See NRS 696B.255.2 ("If the property of the insurer does not contain sufficient cash or liquid assets to defray the costs incurred, the Commissioner may advance the costs so incurred out of any appropriation for the maintenance of the Division. . . ."). Ellingson understands that, as required by Nevada law, "[a]ny amounts so advanced for expenses of administration must be repaid to the Commissioner out of the first available money of the insurer." NRS 696B.255(2).

CONFIDENTIALITY

All working papers, recorded information, and documents, and copies thereof produced, obtained or disclosed in the course of Ellingson's services and oversight of the Friday Health supervision and/or receivership shall be confidential and privileged. All privileged and confidential data or information received during the engagement and stored electronically that meet the definition of "covered data" as defined in the Health Insurance Portability and Accountability Act, the Health Information Technology for Economic and Clinical Health Act, the Gramm-Leach-Bliley Act, and state security breach notification laws shall be stored in an encrypted format. This requirement applies to all covered data that are stored electronically on computers/laptops, USB thumb drives, servers, external hard drives, and any other form of electronic media. Ellingson agrees not to disclose, use, or maintain information acquired except to pursue matters related to the Seizure Order or receivership, as applicable. Ellingson agrees to securely provide a copy of all records to the Commissioner in electronic form at the termination of the duties presented herein, and securely destroy records once the applicable period of retention is complete.

¹ This is the maximum hourly rate. Depending upon the skill level of the Ellingson & Associates individual working on this matter, the hourly rate will vary accordingly, with the rate not to exceed \$250.00 an hour.

Darren Ellingson
May 19, 2023
Page 3 of 3

CONFLICT OF INTEREST

Ellingson represents and warrants that there is no conflict of interest of which it is aware that would prevent it from performing the services described herein on behalf of the Commissioner. Ellingson represents and warrants that any potential conflict of interest or appearance of conflict of interest that may arise during or in connection with this Letter of Engagement will be disclosed immediately upon discovery, and Ellingson agrees that such matters shall be resolved to the satisfaction of the Commissioner.

COMMUNICATIONS

All communications with and instructions from the Commissioner related to this matter shall be through:

Alexia Emmermann, Chief Insurance Counsel
775.687.0712, aemmermann@doi.nv.gov

TERMINATION

Either Party may terminate this Letter of Engagement, with or without cause, upon thirty days' advance written notice to the other Party, unless otherwise mutually agreed.

AMENDMENTS


This REVISED Letter of Engagement may be amended only in writing signed by both Parties.

This REVISED Letter of Engagement supersedes all prior agreements with respect to the subject matter contained in this agreement. Please indicate agreement of the provisions of this Letter of Engagement by signing below.

Sincerely,



SCOTT J. KIPPER
Nevada Commissioner of Insurance



By: DARREN ELLINGSON

5/19/2023

Date

EXHIBIT 2

EXHIBIT 2

Examination Resource Agreement

SERVICES AGREEMENT

This Services Agreement (the "Agreement") is entered into by and between Examination Resources, LLC, ("ER") and Darren Ellingson, appointed as the Special Deputy ("SD") of Friday Health Plans of Nevada ("Friday") under the authority of the Nevada Commissioner of Insurance ("Commissioner").

RECITALS

WHEREAS, the Commissioner has requested a financial review of Friday, SD intends to engage ER to perform limited scope services of Friday.

NOW THEREFORE, the Parties agree as follows:

1. Term. The term of this Agreement shall commence on June 1, 2023, and continue until terminated by either party.
2. Scope of Work and Reporting. ER will perform services as requested by the SD. All communications regarding the scope of work requested related to this Agreement shall be through the SD, the Commissioner, or the Commissioner's appointee.

In the event Friday is placed into receivership while this financial review is taking place, this Agreement shall continue in force.

3. Confidentiality. ER and its employees and contractors will maintain the confidentiality of all Friday data and will share such information only with those individuals within the ER organization who have a need to review the information for the purposes of this Agreement. The only parties with which ER may share Friday data is the SD, the Commissioner, and the Commissioner's appointee.

ER will maintain a secure file share site with Friday to exchange all documentation pursuant to this Agreement. ER will maintain a separate secure file share site to exchange documentation with the SD.

4. Work Papers. Work papers and other support for ER's summary findings will be shared with the SD. All work papers will be made available to the SD upon request and, at the conclusion of this Agreement, all work papers and related records will be securely transferred by digital means to the Commissioner through the SD.
5. Compensation. ER will provide SD with a total invoice reflecting includes hours worked and a description of work performed. Payment is due for each invoice within 30 days of receipt, subject to approval by the Commissioner or court, as applicable.

6. Conflict of Interest. ER provides insurance regulatory consulting services to State and Federal regulators. The performance of services pursuant to this Agreement shall not be construed as a conflict of interest for any future services provided by ER to State or Federal regulators that may include services involving Friday or any of its affiliates.
7. Termination.
 - a. Termination by Mutual Consent: The parties may terminate this Agreement by written mutual consent.
 - b. Termination via Written Notice: The SD may terminate this Agreement upon 60 days written notice to ER with such notice delivered pursuant to paragraph 11 of this Agreement.
 - c. Legal Compliance Termination: If either party determines that termination of the Agreement is the only method to comply with a legal requirement or cure a violation of a legal requirement, the party may terminate this Agreement by giving 30-days written notice of termination and the reason why termination is required.
8. Winding Up Affairs Upon Termination. Upon termination of this Agreement, ER agrees to transfer all work papers and any other property of Friday to the Commissioner through the SD. Upon request by the SD that ER complete any work in progress, ER shall complete such work at the rate specified in the Agreement.
9. Force Majeure. Neither party shall be deemed to be in violation of this Agreement if it is prevented from performing any obligations due to strikes, failure of public transportation, civil or military authority, accidents, fires, explosions, or acts of God which include without limitation, earthquakes, floods, winds, or storms.
10. Governing Law. This Agreement and the Parties rights and obligations hereunder shall be governed by Nevada law.
11. Entire Agreement. This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. The Agreement can be amended by written agreement executed by both parties.
12. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

13. Notices. Any notices provided under this Agreement shall be given to ER through Rachelle Gowins at rachellegowins@examresources.net and Don Roof at donroof@examresources.net.

Any notices provided under this Agreement to the Commissioner shall be through Darren Ellingson at dellingson@ellingsonassociates.com.

EXHIBIT A

<u>Role</u>	<u>Hourly Rate</u>
Manager	\$200
Supervisor	\$150
Examiner	\$135
Actuary	\$295
Specialist	\$150

SIGNATURES ON FOLLOWING PAGE

Examination Resources

By:  71883B47C2AB4BA...

Rachelle Gowins

Title: Managing Director

Date: 6/2/2023

Special Deputy

By:  037DB360324D48D...

Title: Special Deputy

Date: 6/2/2023

EXHIBIT 3

EXHIBIT 3

Declaration of Darren Ellingson

1 **DECL**

2 MARK E. FERRARIO, ESQ.
3 Nevada Bar No. 01625
4 KARA B. HENDRICKS, ESQ.
5 Nevada Bar No. 07743
6 JERRELL L. BERRIOS, ESQ.
7 Nevada Bar No. 15504
8 GREENBERG TRAUIG, LLP
9 10845 Griffith Peak Drive, Suite 600
10 Las Vegas, Nevada 89135
11 Telephone: 702.792.3773
12 Facsimile: 702.792.9002
13 Email: ferrariom@gtlaw.com
14 hendricksk@gtlaw.com
15 berriosj@gtlaw.com

16 *Counsel for Petitioner*

17 **EIGHTH JUDICIAL DISTRICT COURT**

18 **CLARK COUNTY, NEVADA**

19 SCOTT J. KIPPER, COMMISSIONER OF
20 INSURANCE, STATE OF NEVADA,

21 Petitioner,

22 vs.

23 FRIDAY HEALTH PLANS OF NEVADA, INC.,

24 Defendant.

25 CASE NO. A-2-871639-C
26 DEPARTMENT 18

27 **DECLARATION OF DARREN
28 ELLINGSON IN SUPPORT OF
MOTION TO APPROVE RATES
OF SPECIAL DEPUTY RECEIVER
AND EXAMINATION
RESOURCES, LLC**

I, Darren Ellingson, declare as follows:

1. I am over eighteen years of age and competent to testify to the matters stated herein based on personal knowledge.

2. I am the Managing Partner of Ellingson & Associates, LLC and make this Declaration in support of the Receiver’s Motion to Approve Rates of Special Deputy Receiver and Examination Resources LLC (“Motion”).

3. Ellingson & Associates, LLC was appointed by the Nevada Commissioner of Insurance (“Commissioner” or “Receiver”) to serve as the Special Deputy Receiver (“SDR”) in this matter. A true and correct copy of the appointment letter is attached to the Motion as **Exhibit 1**.

1 4. The Receiver selected Ellingson & Associates, LLC to serve as the SDR based on
2 my experience, expertise, and ability to adequately represent the Receiver in the duties and
3 obligations under the Receivership Order.

4 5. I obtained my Juris Doctorate from Oklahoma City University School of Law and
5 have a Bachelor's Degree in Accounting and Business and currently the managing partner of
6 Ellingson & Associates, LLC.

7 6. Ellingson & Associates, LLC has an excellent reputation in the insurance
8 community as I have previously served as the Director of Insurance for the Arizona Department of
9 Insurance and served as the former Deputy Commissioner of Insurance for the Oklahoma Insurance
10 Department.

11 7. The Receiver negotiated and approved the SDR's rate of \$250 an hour. Rates for
12 staff will vary upon skill level and will not exceed that of the SDR.

13 8. To aid the SDR in matters requiring immediate attention the SDR has engaged
14 Examination Resources, LLC ("Examination Resources") to assist with forensic accounting,
15 reinsurance collections, financial reporting, litigation support, and other liquidation support. A true
16 and correct copy of the engagement agreement with Examination Resources is attached to the
17 Motion as **Exhibit 2**.

18 9. Examination Resources is a well-respected entity that provides consulting services
19 specializing in insurance regulatory matters. They have valuable experience with standards,
20 expectations and regulatory requirements in the insurance industry and will provide valuable
21 resources to the estate. Here, the Receiver negotiated, and approved Examination Resources' rates
22 as follows:

ROLE	HOURLY RATE
Manager	\$200.00
Supervisor	\$150.00
Examiner	\$135.00
Actuary	\$285.00
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