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

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

Case No. A-19-787325-C

Dept. No. 16

21 Plaintiff,)

22 vs.)

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

26 Defendant.)
27)
28)

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31 **ORDER APPOINTING INSURANCE COMMISSIONER, BARBARA D. RICHARDSON,**
32 **AS TEMPORARY RECEIVER PENDING FURTHER ORDERS OF THE COURT AND**
33 **GRANTING TEMPORARY INJUNCTIVE RELIEF PURSUANT TO NRS 696B.270**

34 WHEREAS a Petition for Appointment of Commissioner Barbara D. Richardson
35 (“Commissioner”) as Receiver, and Other Permanent Relief and Request for Temporary Injunction,
36 pursuant to NRS 696B.270(1) (“Petition”) was filed in the above entitled Court on January 10, 2018
37 initiating these proceedings, and;

38 GOOD CAUSE APPEARING, IT IS HEREBY ORDERED that, pursuant to NRS 696B.210,
39 NRS 696B.220, NRS 696B.290, and pursuant to NRS 696B.210(14), the Commissioner is appointed as

1 Temporary Receiver ("Receiver"), pending further orders by the Court, to enter the business and
2 immediately oversee the operation and conservation/rehabilitation of the business.

3 IT IS FURTHER ORDERED, pursuant to NRS 696B.270(1), pending the show cause hearing
4 and further orders by the Court, that Insurers, all officers, directors, stockholders, members, subscribers,
5 agents, employees, and all other persons, except the Receiver or any person or persons designated by the
6 Receiver are immediately enjoined from transacting any further business on behalf of the Insurers or
7 wasting or disposing of any assets or property of Insurers.

8 IT IS HEREBY FURTHER ORDERED that, pursuant to NRS 696B.270, pending further orders
9 by the Court, the Insurer, the officers, directors, stockholders, members, subscribers, agents, employees,
10 and all other persons are immediately enjoined from transacting any further business on behalf of the
11 Insurer unless other directed by the Receiver or from wasting or disposing of any assets or property of
12 the Insurer. All property and records of SCARRG, which includes all hard copy and electronic records,
13 will be immediately provided and turned over to the Receiver.

14 IT IS HEREBY FURTHER ORDERED that, pursuant to NRS 696B.340, pending further orders
15 by the Court, all persons are immediately enjoined from the commencement or prosecution of any actions
16 by or on behalf of the Insurer, or against the Insurer, and the receivership court will have exclusive
17 jurisdiction over any actions involving the Receiver or Insurer. Further, all persons shall be restrained
18 from obtaining any preferences, judgments, attachments, or other liens as to any property of the Insurer
19 or making any levy against the Insurer or against their assets or any part thereof.

20 IT IS HEREBY FURTHER ORDERED that, pursuant to NRS 696B.270, pending further orders
21 by the Court, all persons other than the Receiver or as directed by the Receiver are enjoined from the
22 withdrawal of any funds from the Insurer's accounts or the removal of other property from the Insurer.
23 The Receiver is authorized to take control and transact business regarding all bank, investment, custody,
24 trust, property, and other asset accounts of SCARRG, and to place her name and other signatories on such
25 accounts or property in replacement of any or all officers, directors, stockholders, members, subscribers,
26 agents, employees, and all other persons that may be listed on such accounts or property. The Receiver
27 is authorized to collect and receive all assets and property on behalf of SCARRG and to transact all
28 business for SCARRG concerning such assets and property.

1 IT IS HEREBY FURTHER ORDERED that the Commissioner as Temporary Receiver is
2 authorized to impose such partial or full lien or moratoria on any disbursements for such time and under
3 such terms as she deems necessary and appropriate for the protection of members and creditors, provided
4 that such lien or moratoria shall apply in the same manner to all similarly situated persons and provided
5 that under no circumstances shall the Receiver or her representatives be liable to any person for a good
6 faith decision to impose, or refrain from imposing, such lien or moratorium.

7 IT IS HEREBY FURTHER ORDERED that the insurance policies and insurance contracts of
8 SCARRG will remain in effect pending further orders of this Court. The Receiver is authorized, in her
9 discretion, to continue the insurance defense of insurance policy claims until further orders of this Court,
10 with the Receiver to determine in her discretion those defense costs that are both reasonable and
11 appropriate to be incurred and paid after the date of this order. All reinsurers, consultants, third-parties,
12 and anyone acting on behalf of SCARRG will cease making any claim payments or defense costs of
13 SCARRG, and the payment of any defense costs of SCARRG must be specifically authorized by the
14 Receiver as provided in this order.

15 IT IS HEREBY FURTHER ORDERED that the Commissioner as Temporary Receiver is
16 authorized to appoint, without prior notice to or prior approval by the Court, such Special Deputy
17 Receiver, legal counsel, and consultants as she deems necessary for the conduct of the Insurer's
18 receivership, such Special Deputy Receiver thereby being vested with all the rights, duties, and authority
19 of the Temporary Receiver, subject to the supervision of the Commissioner as Temporary Receiver and
20 of the Court.

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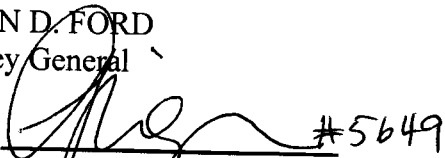
1 IT IS HEREBY FURTHER ORDERED that the Commissioner as Temporary Receiver is
2 authorized to issue such Directives as she deems appropriate to memorialize and provide notice of the
3 exercise of her authority under the Court's Orders and applicable law.

4 DATED this 18 day of January, 2019.

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7 DISTRICT JUDGE
8 *op*

9 Respectfully submitted:

10 AARON D. FORD
11 Attorney General

12 By:  #5649
13 for RICHARD BAILI YIEN
14 Deputy Attorney General
15 Attorney for the Division of Insurance
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1 **CERTIFICATE OF SERVICE**

2 I hereby certify that I am an employee of the State of Nevada, Office of the
3 Attorney General, and that on January 18, 2019, I served the foregoing **ORDER APPOINTING**
4 **INSURANCE COMMISSIONER, BARBARA D. RICHARDSON, AS TEMPORARY**
5 **RECEIVER PENDING FURTHER ORDERS OF THE COURT AND GRANTING**
6 **TEMPORARY INJUNCTIVE RELIEF PURSUANT TO NRS 696B.270**, via regular mail and
7 electronically, to the following parties:

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9 Elliott M. Kroll
10 Arent Fox LLP | Attorneys at Law
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13 elliott.kroll@arentfox.com

14 Barbara Richardson
15 Commissioner of Insurance
16 Attn: Betsy Gould
17 Nevada Division of Insurance
18 1818 E. College Parkway, Suite 103
19 Carson City, NV 89706
20 bgould@doi.nv.gov

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/s/ Mackenzie Hodges
Employee of the Office of
the Nevada Attorney General