STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF OREGON

In the Matter of the Certificate of Authority of ACCESS INSURANCE COMPANY, Dallas, Texas	)))	SUSPENSION ORDER Case No. INS FR 18-03-002

INTRODUCTION

The Insurance Commissioner of the State of Oregon (Commissioner) hereby issues a Suspension Order to ACCESS INSURANCE COMPANY (AIC) under Oregon Revised Statutes (ORS) 731.256 and 731.414 because the Commissioner has reason to believe the following:

FINDINGS OF FACT

Since February 25, 2005, AIC, a Texas corporation, has been issued a certificate of authority pursuant to ORS 731.402. It is currently authorized to transact Property and Casualty (Excluding Workers Compensation) insurance within the state of Oregon.

On or about March 13, 2018, at the request of the Texas Department of Insurance, the District Court Travis Texas issued an order, D-1-GN-18-001285, placing AIC into liquidation.

Liquidation is a form of delinquency proceeding.

ULTIMATE FINDINGS OF FACT

The insurance supervisory official of the state of Texas commenced a delinquency proceeding against AIC.

CONCLUSIONS OF LAW

The Commissioner may suspend AIC's Oregon certificate of authority without a hearing under 731.418 (2).

ORDER

Pursuant to ORS 731.418(2), the Oregon certificate of authority issued to AIC is suspended. The period of suspension shall be continuous from the date of this order until rescinded by further written order of the Commissioner, pursuant to ORS 731.426(1). Pursuant to ORS 731.426(2), during the period of suspension, AIC shall not solicit or issue new policies of insurance in this state or assume any Oregon risk. During the period of suspension, AIC shall also not issue renewal policies in this state. AIC shall file its annual financial statement and pay any fees and taxes required to be paid. AIC shall service any existing policies of insurance issued to persons residing in Oregon in accordance with Oregon Law.

Pursuant to ORS 731.422(2), the authority of all producers to represent AIC within the state of Oregon is also suspended. The period of suspension shall be for the same period that the certificate of authority issued to AIC is suspended. During the period of suspension, a producer may represent AIC only to the extent that AIC may service any existing policies of insurance issued to persons residing in Oregon and that AIC has authorized the producer to represent it.

AIC is hereby ordered to provide a copy of this suspension order to all appointed producers within 14 days of the date of this order. The company shall provide to the Commissioner within 21 days from the date of this order an affidavit certifying that notice to appointed producers has been provided.

Issued the 16th day of March, 2018.

Andrew R. Stolfi
Administrator/Insurance Commissioner
Division of Financial Regulation

RIGHT TO A HEARING

The party has the right to a hearing pursuant to ORS 183.415. A party may request a hearing by sending a written request to the Division of Financial Regulation. A party may send the request to the Division of Financial Regulation by delivering it to the Labor and Industries Building, 350 Winter Street NE, Salem, Oregon; or mailing it to PO Box 14480, Salem, OR 97309-0405, or faxing it to 503-378-4351; or e-mailing it to douglas.s.sedwick@oregon.gov. The Division of Insurance Regulation must *receive* the request within 21 days from the date this notice was *sent* to the party.

If the Division of Financial Regulation receives from or on behalf of a party a written request for a hearing by the due date described above, then the Division of Financial Regulation will refer the request to the Office of Administrative Hearings (OAH). OAH will schedule the hearing and notify the party of the date and location of the hearing and other related information. OAH will conduct the hearing in accordance with the Oregon Administrative Procedures Act, ORS Chapter 183; and related rules, Oregon Administrative Rules (OAR) 137-03-0502 *et seq*. A party that is a corporation, partnership, limited liability company, unincorporated association, trust, or government agency must be represented at a hearing by an attorney licensed in Oregon except as otherwise provided by law. Subsequently, OAH will issue a proposed order, and the Commissioner will issue a final order.

If the Division of Financial Regulation does not receive from or on behalf of a party a written request for a hearing by the due date described above; or a party that has timely requested a hearing withdraws the request, notifies the Division of Financial Regulation or OAH that the party will not appear at a hearing, or does not appear at a scheduled hearing, then the Commissioner will issue a final order by default taking the action proposed therein. If the Commissioner issues a final order by default, then the record of this proceeding to date, including the designated portion of the Division of Financial Regulation's file on the party, automatically become part of the contested case record for the purpose of proving a *prima facie* case.

Filed In The District Court
of Travis County, Texas

MAR 13 2018

At 2:36 P M.
Velva L. Price, District Clerk

Cause No. D-1-GN-18-001285

THE TEXAS DEPARTMENT OF OF INSURANCE, Plaintiff	§	IN THE DISTRICT COURT
v.	§	TRAVIS COUNTY, TEXAS
ACCESS INSURANCE COMPANY Defendant	§	261ST 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:

ENTERED
MR
DISTRICT COURT OF TRAVIS COUNTY TEXAS

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

DISTRICT COURT OF TRAVIS COUNTY TEXAS

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

DISTRICT COURT OF TRAVIS COUNTY TEXAS

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

DISTRICT COURT OF TRAVIS COUNTY TEXAS

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

DISTRICT COURT OF TRAVIS COUNTY TEXAS

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

DISTRICT COURT OF TRAVIS COUNTY TEXAS

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;

DISTRICT COURT OF TRAVIS COUNTY TEXAS

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,

DISTRICT COURT OF TRAVIS COUNTY TEXAS

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

DISTRICT COURT OF TRAVIS COUNTY TEXAS

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

DISTRICT COURT OF TRAVIS COUNTY, TEXAS

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 13 day of March, 2018, at 2:00 o'clock p .m.

DISTRICT JUDGE PRESIDING

DISTRICT COURT OF TRAVIS COUNTY TEXAS

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. _____
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

DISTRICT COURT OF TRAVIS COUNTY TEXAS

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

I, VELVA L. PRICE, District Clerk, Travis County, Texas, do hereby certify that this is a true and correct copy as same appears of record in my office. Witness my hand and seal of office on 3.13.2018

VELVA L. PRICE
DISTRICT CLERK
By Deputy:

DISTRICT COURT OF TRAVIS COUNTY TEXAS