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12 **IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**  
13 **CLARK COUNTY, NEVADA**

14 STATE OF NEVADA, EX REL. COMMISSIONER  
15 OF INSURANCE, IN HER OFFICIAL CAPACITY  
16 AS STATUTORY RECEIVER FOR DELINQUENT  
17 DOMESTIC INSURER,

18 Case No. A-19-787325-B  
19 Dept. No. 15

20 Plaintiff,

21 **TWENTY-FOURTH STATUS REPORT**

22 vs.

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

26 Defendant.

27 COMES NOW, the Commissioner of Insurance<sup>1</sup> and CANTILO & BENNETT, L.L.P., Special  
28 Deputy Receiver (“SDR”), and files this Twenty-Fourth 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

<sup>1</sup> Barbara D. Richardson resigned from her position as Commissioner of Insurance effective December 30, 2022. Scott Kipper was named as the new Insurance Commissioner. 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.”

**Greenberg Traurig, LLP**  
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1 receivership and of progress being made in accomplishing the objectives of the receivership.” NRS  
2 696B.290(7).

3 **I.**

4 **INTRODUCTION**

5 Spirit Commercial Auto Risk Retention Group, Inc. (“Spirit” or the “Company”) is an association  
6 captive insurance company organized under the insurance laws of Nevada and the Liability Risk  
7 Retention Act of 1986. Spirit received its Certificate of Authority on February 24, 2012, and operates  
8 under the authority of NRS Chapter 694C. Spirit transacted commercial auto liability insurance business.  
9 Within that line, Spirit specialized in serving commercial truck owners.

10 Pursuant to NRS 679A.160, Spirit is subject to Nevada laws in Chapters 694C and 695E that  
11 pertain to captive insurers (as “captive insurer” is defined in NRS 694C.060) and risk retention groups  
12 (as “risk retention group” is defined in NRS 695E.110) that have a Certificate of Authority from the  
13 Division. Spirit is considered an association captive insurer (as “association captive insurer” is defined  
14 in NRS 694C.050). As a risk retention group (“RRG”), Spirit is subject to the Federal Liability Risk  
15 Retention Act of 1986. RRGs domiciled in Nevada do not participate in the Nevada Guaranty  
16 Association. Pursuant to NRS 695E.140(1)(a), Spirit is also subject to all laws that pertain to traditional  
17 liability insurers (with exceptions given in Bulletin 14-008).

18 As discussed in the Receiver’s First Status Report, Spirit is part of an Insurance Holding  
19 Company System and in large part it only did business with other members of that system. CTC  
20 Transportation Insurance Services of Missouri, LLC (“CTC”), with offices in Missouri, New Jersey, and  
21 California, served as the program administrator and managing general agent for Spirit. Criterion Claims  
22 Solutions of Omaha, Inc. (“Criterion”) was the third-party claims administrator for Spirit. Lexicon  
23 Insurance Management LLC was the captive manager for the company (after Risk Services initially  
24 served in that role through circa July 2018). Chelsea Financial Group, Inc. provided premium financing  
25 services for the majority of Spirit’s policies. The company 10-4 Risk Management provided risk  
26 management and loss run services. The owner or ultimate controlling person for each of these entities  
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1 is or was Thomas Mulligan.<sup>2</sup> All of these companies were taking a portion of the premium dollars from  
2 Spirit-issued policies.

3 The Commissioner initially filed a petition to put the Company into receivership on January 11,  
4 2019, and efforts to protect the policyholders and other creditors of the estate were contested vigorously  
5 by the Company. On February 27, 2019, this Court entered its Permanent Receivership Order. Barbara  
6 D. Richardson, Commissioner of Insurance, in her capacity as Receiver for Spirit appointed the firm of  
7 CANTILO & BENNETT, L.L.P. as the Special Deputy Receiver of the Companies. The “Receiver” and  
8 “Special Deputy Receiver” are referred to collectively herein as the “Receiver.”

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

- 11 1) that the Company’s in-force insurance policies are to be canceled effective on the earlier  
12 of April 15, 2019, or the date when the insured ceased making premium payments to  
13 Spirit;
- 14 2) that the Receiver may impose a full suspension on all disbursements owed by Spirit,  
15 including insurance policy disbursements, and costs related to the defense or adjudication  
16 of insurance policy claims;
- 17 3) that the receivership court has exclusive jurisdiction over all matters pertaining to Spirit  
18 and all persons are enjoined from commencing, bringing, maintaining, or further  
19 prosecuting any action at law, suit in equity, arbitration, or special or other proceeding  
20 against the Company, Receiver, or Special Deputy Receiver;
- 21 4) that the Receiver is vested with exclusive title both legal and equitable to all of Spirit’s  
22 property wherever located, to administer under the general supervisions of the Court;
- 23 5) that the Receiver may change to her own name, the name of any of Spirit’s accounts,  
24 funds, or other property or assets, held with any bank, savings and loan association, other  
25 financial institution, or any other person, wherever located, and may withdraw such  
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28 <sup>2</sup> 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).

1 funds, accounts and other assets from such institutions or take any lesser action necessary  
2 for the proper conduct of the receivership; and

- 3 6) that the Receiver is authorized to establish a receivership claims and appeal procedure,  
4 for all receivership claims. The receivership claims and appeals procedures shall be used  
5 to facilitate the orderly disposition or resolution of claims or controversies involving the  
6 receivership or the receivership estate.

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

## 17 II.

### 18 RECEIVERSHIP ADMINISTRATION

#### 19 A. Notice of Developments in Receivership

20 On August 19, 2019, the Court entered its Order Regarding Motion for Instructions Including  
21 Notice Requirements (the “Notice Order”). Future notices about Spirit’s receivership will be provided  
22 to interested parties in accordance with the Court’s Notice Order. Interested parties may also monitor  
23 the Spirit receivership web site ([www.spiritinsure.com](http://www.spiritinsure.com)) to keep up to date about developments in the  
24 receivership.

#### 25 B. Claims Administration and Third-Party Support Services

26 TRISTAR Risk Management (“TRISTAR”) is assisting the Receiver in evaluating the Proofs of  
27 Claim (“POCs”) that have been received. TRISTAR’s initial work for the estate included an evaluation  
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1 of the outstanding policy claims liabilities of the estate. TRISTAR’s work in this regard is detailed in  
2 the Sixth Status Report and exhibits thereto. TRISTAR has since assisted the Receiver in evaluating and  
3 determining the POCs filed in the Spirit estate. Through the appeals phase of the claims process for the  
4 estate (*i.e.*, as claimants submit appeals of the Receiver’s claim determinations), TRISTAR will evaluate  
5 the appeal submissions from claimants and make recommendations to the Receiver regarding proposed  
6 resolutions of such appeals. The Receiver anticipates that it will continue to utilize TRISTAR’s  
7 assistance for claims matters, until all claims and appeals of the estate are resolved. The Receiver will  
8 continue to evaluate the need for TRISTAR’s assistance and will continue to report TRISTAR’s ongoing  
9 work for the estate.

10 The Claims Filing Deadline expired on May 31, 2021. There were one thousand four hundred  
11 five (1,405) timely POC submissions received. Of these timely-filed POCs, at least twenty-four (24)  
12 will not require a written Notice of Claim Determination to be sent by the SDR.<sup>3</sup>

13 The Receiver is evaluating the claims against the estate and mailing written Notices of Claim  
14 Determination to claimants — and these notices advise claimants of whether their claims are approved  
15 (in full or in part) or denied. Approximately one thousand three hundred forty (1,340) Notices of Claim  
16 Determination have been completed and mailed to the claimants to date. The Receiver has posted a  
17 status update (*i.e.*, advising that POCs are in the process of being evaluated) to the home page of the  
18 Spirit receivership web site. Approximately eighty-five (85) objections to the Receiver’s claim  
19 determinations have been received to date. We are enclosing a report on the determination of the  
20 Receiver on each claim approved in whole or in part through November 1, 2024, as well as a report of  
21 each claim determination to which an objection has been filed<sup>4</sup> pursuant to NRS 696B.330(6-8). A copy  
22 of the claims report, without the names of the claimants, is being submitted as **Exhibit 1** to this report.<sup>5</sup>

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23  
24 <sup>3</sup> Ten POCs (10) were withdrawn by the claimants, three (3) were rejected in writing by the SDR (*i.e.*, due to being  
25 related to a different insurance company), and eleven (11) were duplicate submissions, and have been consolidated under the  
26 POC number assigned to the claimant’s original submission.

27 <sup>4</sup> The report on these objections will be updated to reflect the Court’s determination of each objection once hearings  
28 have been held, pursuant to NRS 696B.330, and final orders are entered by the Court thereon.

<sup>5</sup> 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.

1           The Order Granting Motion to Establish Claims Appeal Process and Procedure and for the  
2 Appointment of a Special Master to Assist with the Same was entered on March 3, 2023. The Order  
3 appoints two Special Masters to preside over appeal hearings, and sets out the procedures for such  
4 appeals, as well as the procedure for certain other appeals which are to be reviewed by the receivership  
5 court. Counsel for the Receiver is working with the Special Masters to schedule appeal hearings and  
6 briefing schedules. As claims are scheduled for hearing, counsel for the Receiver is notifying claimants  
7 of the time and place for the hearing of their objections, as well as the briefing schedule. Additional  
8 hearings will continue to be scheduled on a rolling basis as needed. As appeals are resolved through the  
9 hearing process, the Receiver will update the claim and appeal report exhibits to the status report to  
10 reflect the appeal resolution and the final determination of the claims. The Court’s final orders  
11 concerning the claim objections are final orders appealable to the Nevada Supreme Court. To date, there  
12 are two such appeals pending before the Nevada Supreme Court. The above-referenced motions and  
13 orders have been posted to the receivership web site, [www.spiritinsure.com](http://www.spiritinsure.com) (“Receivership  
14 Documents” tab).

15           The United States has filed a POC in the receivership, asserting the priority of its claims—if any  
16 (they are unknown at this time according to the POC)—over and above any other claims against the  
17 estate pursuant to 31 U.S. Code § 3713, also known as the government “superpriority” statute. The  
18 Receiver sent letters to the United States to provide a reminder that its claim must be complete, non-  
19 contingent, and liquidated in amount on or before the May 31, 2021, deadline. No amendment or  
20 supplement from the United States has been received as of the date of this report. The Receiver has also  
21 written to the Centers for Medicare and Medicaid Services (“CMS”), seeking policy guidance regarding  
22 the applicability of certain claim reporting requirements for the Spirit receivership. CMS has yet to  
23 respond, but the Receiver will continue to seek direct input from the agency to clarify the regulatory  
24 requirements for the Spirit estate.

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

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

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

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

14 As the Court is aware, the Receiver has engaged the law firm of Greenberg Traurig LLP  
15 (“Greenberg Traurig”) as counsel in this receivership matter. Additionally, as reported in the previous  
16 status reports, the Receiver has engaged the services of Lewis Roca to handle certain limited matters and  
17 to act as outside conflicts counsel to address other matters that may arise in which Greenberg Traurig is  
18 not representing the receivership estate.

19 The Receiver has received notice from time to time of lawsuits filed against Spirit in violation of  
20 the Court’s Permanent Receivership Order. The Receiver will continue its established procedure of  
21 writing to the parties involved to inform them of the injunctions of the Permanent Receivership Order  
22 and request a voluntary dismissal of Spirit from the matter. Thus far, the majority of counsel have been  
23 amenable to such requests. In limited cases and only when absolutely necessary, the Receiver will  
24 engage outside counsel to address ongoing or repeated violations of this Court’s orders.

1           **C.       Records**

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

5           **D.       Asset Recovery Litigation and Arbitration**

6           On February 6, 2020, the Receiver filed an asset recovery lawsuit against a number of parties,  
7 including Thomas Mulligan, CTC, Criterion, Spirit’s former directors and officers, various other former  
8 vendors of Spirit, and various other related persons and entities (“Asset Recovery Lawsuit”).<sup>6</sup> The Asset  
9 Recovery Lawsuit was filed in the Eighth Judicial District Court of Clark County, Nevada, and assigned  
10 Case No. A-20-809963-B. Although the majority of Defendants filed answers to the Asset Recovery  
11 Lawsuit, CTC<sup>7</sup> and Criterion Claim Solutions of Omaha, Inc. each filed Motions to Compel Arbitration  
12 of the claims asserted by the Receiver in her asset recovery lawsuit. The Motions to Compel Arbitration  
13 were granted by Judge Denton and thereafter nine of the defendants<sup>8</sup> filed a Motion to Stay Pending  
14 Arbitration, and joinders were filed by nineteen additional defendants. The Court granted the Motion to  
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16           <sup>6</sup> The Defendants in the Asset Recovery Lawsuit are: Thomas Mulligan, an Individual; CTC Transportation  
17 Insurance Services of Missouri, LLC, a Missouri Limited Liability Company; CTC Transportation Insurance Services LLC,  
18 a California Limited Liability Company; CTC Transportation Insurance Services of Hawaii LLC, a Hawaii Limited Liability  
19 Company; Criterion Claims Solutions of Omaha, Inc., a Nebraska Corporation; Pavel Kapelnikov, an Individual; Chelsea  
20 Financial Group, Inc., a California Corporation; Chelsea Financial Group, Inc., a Missouri Corporation; Chelsea Financial  
21 Group, Inc., a New Jersey Corporation D/B/A Chelsea Premium Finance Corporation; Chelsea Financial Group, Inc., a  
22 Delaware Corporation; Chelsea Holding Company, LLC, a Nevada Limited Liability Company; Chelsea Holdings, LLC, a  
23 Nevada Limited Liability Company; Fourgorean Capital, LLC, a New Jersey Limited Liability Company; Kapa Management  
24 Consulting, Inc., a New Jersey Corporation; Kapa Ventures, Inc., a New Jersey Corporation; Global Forwarding Enterprises  
25 Limited Liability Company, a New Jersey Limited Liability Company; Global Capital Group, LLC, a New Jersey Limited  
26 Liability Company; Global Consulting; New Tech Capital, LLC, a Delaware Limited Liability Company; Lexicon Insurance  
27 Management LLC, a North Carolina Limited Liability Company; Icap Management Solutions, LLC, a Vermont Limited  
28 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.

<sup>7</sup> Here, “CTC” refers to Defendants CTC Transportation Insurance Services of Missouri LLC; CTC Transportation  
Insurance Services, LLC; and CTC Transportation Insurance Services of Hawaii LLC.

<sup>8</sup> 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”).



1 Stay Pending Arbitration and the Joinders thereto and the formal Notice of Entry of Order was entered  
2 on November 17, 2020.

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

12 On July 18, 2023, the Receiver filed a Motion to Lift Stay in the Asset Recovery Lawsuit based  
13 on concerns regarding ongoing prejudice to the claimants of Spirit. The Motion to Lift Stay was opposed  
14 by the defendants named in that matter and on September 14, 2023, the Order was entered denying the  
15 Receiver’s request. Based on Judge Denton’s order, the Asset Recovery Lawsuit will, for now, remain  
16 stayed as to the other defendants while the Receiver attempts to resolve the remaining arbitration  
17 proceeding against CTC as expeditiously as possible. Notwithstanding the foregoing, the Parties in the  
18 Asset Recovery Lawsuit reached an agreement to allow for the depositions of Brenda Guffey and Larry  
19 Shores to go forward due to health issues being experienced by the deponents.

20 The Receiver initiated arbitration against CTC on August 2, 2022 (“CTC Arbitration”). Pursuant  
21 to the terms of the Program Administrator Agreement (“PSA”), the arbitration is proceeding with a  
22 three-person arbitration panel.<sup>9</sup> Despite the arbitration starting on August 2, 2022, there were numerous  
23 delays in document production by CTC. Notably, CTC failed to produce any electronic stored  
24 information (“ESI”) until late September 2023 when they proceeded to roll out what can only be  
25 described as a document dump of over 1.5 million pages of documents. However, the document dump  
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27 <sup>9</sup> The arbitrators for this matter are Robert Hall, Ret. Judge Elizabeth Gonzalez, and Susan Claflin will serve as the  
28 umpire. 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.

1 which was repeatedly described by CTC’s counsel as the “universe of documents,” did not contain  
2 requested e-mails including e-mails from key executives and decision makers at CTC. Miraculously,  
3 after the filing of a motion to compel production of documents and request for sanctions, CTC located  
4 over one million e-mails.

5 The Receiver got a favorable order after filing a Motion to Compel Production of Documents  
6 and Request for Sanctions (the “Sanctions Order”). The Sanctions Order strikes CTC’s affirmative  
7 defenses, and orders that at the hearing CTC shall be precluded from presenting an affirmative case on  
8 the merits. The Sanctions Order also granted the Receiver’s request for attorney fees, consultant and/or  
9 expert expenses, and costs incurred in connection with the Motion.<sup>10</sup> The Sanctions Order re-set the  
10 arbitration hearing for September 23-27, 2024, and by stipulation of the parties discovery was slated to  
11 close on July 23, 2024. However, due to a personal matter experienced by CTC’s lead counsel, the  
12 discovery schedule and hearing deadlines were reset. The close of discovery is set for December 3,  
13 2024, and the arbitration hearing will now take place February 3-7, 2025. The Receiver filed expert  
14 disclosures on July 22, 2024, and is proceeding with limited depositions. The CTC entities did not file  
15 expert reports by the deadline. Although counsel originally stated that they did not anticipate taking any  
16 expert witness depositions, CTC recently retained new counsel that has noticed the depositions of all of  
17 Spirit’s experts along with the depositions of representatives of FTI.<sup>11</sup> The Receiver has also noticed the  
18 deposition of the person(s) most knowledgeable at CTC regarding a number of topics. All such  
19 depositions are scheduled to be complete prior to the December 3, 2024, discovery deadline.

20 On October 10, 2024, the Receiver filed a Motion for Partial Summary Judgment and requested  
21 that the panel set a December date for oral argument on the Motion. CTC requested additional time and  
22 on October 25, 2024, CTC filed a Motion to Amend Discovery Plan and Scheduling Order, to which the  
23 Receiver submitted its Response in Opposition on October 29, 2024. The arbitration panel heard  
24 arguments from counsel for both sides during a video conference held on October 30, 2024. On

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25  
26 <sup>10</sup> On January 30, 2024, the Receiver submitted its Memorandum of Fees and Costs Pursuant to Arbitration Panel’s  
27 January 17, 2024, Order, and the arbitration panel awarded a total of \$73,620.59. CTC has remitted this amount to counsel  
28 for the Receiver.

<sup>11</sup> Counsel for CTC has also indicated a desire to depose Dan George and is in the process of attempting to  
scheduling the same.

1 November 4, 2024, the panel ordered that the discovery deadline and arbitration hearing date will remain  
2 as previously scheduled (*i.e.*, December 3, 2024, and February 3, 2025, respectively). The panel further  
3 ordered that CTC’s Opposition to the Motion for Partial Summary Judgment is due to the panel by  
4 December 17, 2024, and the Receiver’s Reply in Support of its Motion for Partial Summary Judgment  
5 will be due December 31, 2024. The panel reserved January 9, 2025, for oral argument on the Motion  
6 for Partial Summary Judgment, if a hearing is deemed necessary.

7 The Receiver has learned that County Hall Risk Retention Group of North Carolina (“CHRRG”),  
8 a sister company to Spirit, obtained an approximate \$5 million judgment against CTC Hawaii in  
9 December of 2023. A limited receiver has been appointed for CTC Hawaii in North Carolina, to assist  
10 with collection of assets from the CTC entities.

11 As discussed in prior status reports, the Receiver and Criterion agreed to a Stipulated Dismissal  
12 of the Receiver’s arbitration demand/complaint against Criterion. A copy of the Stipulated Dismissal  
13 was included as an Exhibit to the previous Eighteenth Status Report. Please refer to the Receiver’s prior  
14 status reports for additional information about the Receiver’s arbitration claims against Criterion.

15 **E. Receivership Assets and Liabilities**

16 The Receiver has been gathering information and evaluating the assets and liabilities of Spirit.  
17 The Receiver’s liability analysis will continue to evolve as the claims of the estate are determined and  
18 asset recoveries are made. Below is an overview of some key assets and liability matters thus far  
19 identified by the Receiver.

- 20 1. CTC owes a large balance to Spirit that is at least more than \$40 million and may  
21 be much greater after further discovery. The Receiver filed the Asset Recovery  
22 Lawsuit seeking the return of this money *inter alia* as detailed above, and is also  
23 pursuing claims in arbitration as also detailed above.
- 24 2. The cash and invested assets of the Company were approximately \$32,201,696 as  
25 of September 30, 2024.

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**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 Twenty-Fourth Status Report and the actions taken by the Receiver.

DATED this 12<sup>th</sup> day of November 2024.

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