

CAUSE NO. D-1-GV-13-000204

THE STATE OF TEXAS, Plaintiff	§	IN THE DISTRICT COURT OF
	§	
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
	§	
SANTA FE AUTO INSURANCE COMPANY	§	
Defendant	§	419 th JUDICIAL DISTRICT

APPLICATION FOR APPROVAL OF FEES AND EXPENSES

TO THE HONORABLE JUDGE OF SAID COURT:

CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver of Santa Fe Auto Insurance Company (the “SDR” and “SFAIC” respectively), files its *Application for Approval of Fees and Expenses* (the “Application”).

I. BACKGROUND

1.1 On March 8, 2013, the Court entered an *Order Appointing Rehabilitator and Permanent Injunction* appointing the Texas Commissioner of Insurance as Rehabilitator Receiver of Santa Fe Auto Insurance Company. On March 8, 2013, the Texas Commissioner of Insurance as Rehabilitator Receiver appointed CANTILO & BENNETT, L.L.P. as Special Deputy Receiver of Santa Fe Auto Insurance Company.

I. JURISDICTION

2.1 This Court has jurisdiction over the subject matter of this Application and of the parties herein pursuant to TEX. INS. CODE § 443.005.

III. STATUTORY AUTHORITY

3.1 The SDR is authorized to file this Application pursuant to TEX. INS. CODE § 443.015, which provides for the approval of the SDR's expenses and compensation by the Court.

IV. BASIS FOR APPLICATION

4.1 TEX. INS. CODE § 443.015(c)(1) requires the Receiver to submit an application for the approval of the terms of compensation of a contractor when the Receiver reasonably expects that the total amount of compensation to be paid over the course of the proceeding will exceed Two Hundred and Fifty Thousand Dollars (\$250,000), or such another amount established by the Court. In addition, TEX. INS. CODE § 443.015 (d) permits the Receiver, at her discretion, to submit an application to approve any compensation, anticipated expenses, or incurred expenses not described by Subsection (c)(1).

4.2 The SDR files this application to request approval of proposed fees and expenses. It is anticipated that the compensation paid to certain contractors will exceed \$250,000 for the duration of this proceeding. In addition, it is anticipated that some of the SDR's contractors will be paid less than \$250,000 for the duration of this proceeding. The rates for compensation for all contractors are shown on Exhibit A, which is attached hereto and incorporated by reference. The SDR requests the Court to approve such rates pursuant to TEX. INS. CODE § 443.015 (c) (1) and (d), effective as of March 8, 2013, the effective date CANTILO & BENNETT, L.L.P., was designated as SDR. These rates have been approved by the Receiver in accordance with TEX. INS. CODE § 443.102(a).

4.3 The SDR requests that the Court approve the SDR's Application for Approval of Fees and Expenses for the individual and entities identified on the attached Exhibit A.

4.4 TEX. INS. CODE § 443.015(g) provides that on a quarterly basis, or as otherwise provided by this Court, the Receiver shall submit to the Court a summary of expenses incurred

during the period. The SDR requests the Court to confirm quarterly reporting periods that coincide with the State of Texas fiscal year. The SDR further requests that such reports be filed by the 15th day of the month following the end of the quarterly reporting period.

V. NOTICE

5.1 The SDR has served this Application to all known parties at interest and all individuals and entities identified by the SDR in the Certificate of Service by email and, as noted, by mail or overnight delivery to certain state and federal agencies.

VI. OFFER OF PROOF AND VERIFICATION

6.1 This Application is verified by the affidavit and certification pursuant to TEX. INS. CODE § 443.017(b) by Susan E. Salch, designated representative of CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver of Santa Fe Auto Insurance Company.

VII. NOTICE OF ELECTRONIC SERVICE REQUIREMENT

7.1 All pleadings filed in response to this Application or regarding this estate shall be served by e-mail on the undersigned counsel and all parties shown in the attached Certificate of Service.

PRAYER

WHEREFORE, PREMISES CONSIDERED, CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver of Santa Fe Auto Insurance Company prays that this Court grant this Application and grant the SDR such other and further relief to which it may justly entitled.

Respectfully submitted,

FULLER LAW GROUP

By: /s/Christopher Fuller

Christopher Fuller
Texas Bar No. 07515500
4612 Ridge Oak Drive
Austin, Texas 78731
Telephone: (512) 470-9544
Fax: (512) 374-0957
Email: cfuller@fullerlaw.org

**ATTORNEY FOR CANTILO & BENNETT,
LLP, SPECIAL DEPUTY RECEIVER OF
SANTA FE AUTO INSURANCE COMPANY**

CERTIFICATE OF SERVICE

I certify that on April 19, 2013, a true and correct copy of this Application was served pursuant to the Texas Rules of Civil Procedure and TEX. INS. CODE ANN. SEC. 443.007(d) on the following by email, except as specifically otherwise noted.

Via Email: todd.ridley@santafeinsurance.net

Todd Ridley
13702 Gamma Road
Dallas, Texas 75244

Via Email: agonzales@winstead.com

Via Email: pnolan@winstead.com
Alex Gonzales
Peter Nolan
Winstead, PC
401 Congress Avenue, Suite 2100
Austin, Texas 78701

Via Email: douglas.hartz@tdi.texas.gov

Douglas Hartz
Director
Rehabilitation & Liquidation Oversight
Texas Department of Insurance
PO Box 149104
Austin, Texas 78714-9104

Via Email: kimberly.hammer@tdi.texas.gov

Kimberly Hammer
Texas Department of Insurance
PO Box 149104
Austin, Texas 78714-9104

Via Email: dwight.ward@tdi.texas.gov

Dwight Ward
Receivership Analyst
Rehabilitation & Liquidation Oversight
Texas Department of Insurance
PO Box 149104
Austin, Texas 78714-9104

Via Email: lmeltzer@tpciga.org

Linda R. Meltzer
Texas Property Casualty Insurance Guaranty
Association
9120 Burnet Road
Austin, Texas 78758

Via Email: gmarks@azinsurance.gov

Germaine L. Marks
Director
Arizona Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018-7256

Via Email: jay.bradford@arkansas.gov

Jay Bradford
Commissioner
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

Via Email: mmarchman@gaiga.org

Michael C. Marchman
Executive Director
Georgia Insurers Insolvency Pool
2177 Flintstone Drive, Suite R
Tucker, Georgia 30084

Via Email: jwells@laiga.org

John Wells
Director of Operations
Louisiana Insurance Guaranty Association
2142 Quail Run Drive
Baton Rouge, Louisiana 70808-4126

Via Email: jean.sustaita@tdi.state.tx.us

Jean Sustaita
Docket Clerk
Texas Department of Insurance
582 Liquidation Oversight
PO Box 149104
Austin, Texas 78714-9104

Via Email: joshua.godbey@oag.state.tx.us

Joshua R. Godbey
Assistant Attorney General
Financial Litigation, Tax and Charitable Trusts
Division
Office of the Texas Attorney General
PO Box 12548
Austin, Texas 78711-2548

Via Email: msurguine@azinsurance.gov

Michael E. Surguine
Executive Director
Arizona Insurance Guaranty Funds
1110 West Washington, Suite 270
Phoenix, Arizona 85007

Via Email: steve.uhrynowycz@arkansas.gov

Steve Uhrynowycz
Liquidation Division
Arkansas Property & Casualty Guaranty Fund
1023 W. Capitol Avenue, Suite 2
Little Rock, Arkansas 72201

Via Email: rhudgens@oci.ga.gov

Ralph T. Hudgens
Commissioner
Georgia Office of Insurance and Safety Fire
2 Martin Luther King, Jr. Drive
West Tower, Suite 704
Atlanta, Georgia 30334

Via Email: jdonelon@ldi.state.la.us

James J. Donelon
Commissioner
Louisiana Department of Insurance
PO Box 94214
Baton Rouge, Louisiana 70804-9214

Via Email: icommish@doi.nv.gov
Scott J. Kipper
Commissioner
Division of Insurance
Nevada Department of Business & Industry
1818 East College Parkway, Suite 103
Carson City, Nevada 89706

Via Email: bgilbert@niga-pc.org
Bruce W. Gilbert
Executive Director
Nevada Insurance Guaranty Association
3821 West Charleston Boulevard, Suite 100
Las Vegas, Nevada 89102-1859

Via Email: john.franchini@state.nm.us
John G. Franchini
Superintendent
New Mexico Public Regulation Commission
Division of Insurance
P.O. Box 1269
Santa Fe, New Mexico 87501

Via Email: counsel@dfs.ny.gov
Benjamin M. Lawskey
New York State Department of Financial
Services
One State Street
New York, New York 10004

Via Email: john.doak@oid.ok.gov
John D. Doak
Commissioner
Oklahoma Insurance Department
7645 E. 63rd St., Suite 102
Tulsa, Oklahoma 74133

Via Email: lwfitch@opciga.org
Larry W. Fitch
General Manager
Oklahoma Property & Casualty Insurance
Guaranty Association
2601 Northwest Expressway, Suite 330E
Oklahoma City, Oklahoma 73112

Via Email: pwillard@doi.state.nv.us
Peggy Willard-Ross
Assistant Chief Examiner
Nevada Division of Insurance
788 Fairview Drive, Suite 300
Carson City, Nevada 89701

Via Email: craig.dunbar@state.nm.us
Craig Dunbar
Deputy Superintendent
New Mexico Insurance Division
P.O. Box 1269
Santa Fe, New Mexico 87504-1269

Via Email: gkeenan@keen-an-assoc.com
Via Email: vramirez@keen-an-assoc.com
Gary M. Keenan
Fund Administrator
Vanessa Ramirez
New Mexico Insurance Guaranty Association
Keenan & Associates, Inc.
P.O. Box 14590
Albuquerque, New Mexico 87191-4590

Via Fascimile: (212) 964-7963
New York Liquidation Bureau
110 William Street
New York, New York 10038

Via Email: kelly.callahan@oid.ok.gov
Kelley Callahan
Assistant General Counsel
Oklahoma Department of Insurance
2401 N.W. 23rd, Suite 28
Oklahoma City, Oklahoma 73152-3408

Via Email: toddkiser@utah.gov
Todd Kiser
Deputy Commissioner
Utah Insurance Department
3110 State Office Building
Salt Lake City, Utah 84114-6901

Via Email: allenm@utgf.org

Allen Muhlestein

Executive Director

Utah Property & Casualty Insurance Guaranty
Association

P.O. Box 1608

Sandy, Utah 84091-1626

Via Email: jim@insurancedepot.com

Jim Maxwell

Via First Class Mail

Internal Revenue Service

Special Procedures Branch

P.O. Box 250

300 East 8th Street, Suite 352

Mail Stop 5022AUS

Austin, Texas 78701

/s/Christopher Fuller

Christopher Fuller

APPLICANT'S NOTICE OF SUBMISSION

Pursuant to the terms of the Amended Order of Reference to Master entered by the District Court in this cause, the SDR's *Application for Approval of Fees and Expenses* is hereby set for written submission before the Special Master, Tom Collins, on **May 6, 2013**.

The Special Master has asked that the following rules be provided you:

1. Any objection must be filed with the Travis County District Clerk at least three (3) calendar days before the submission date.
2. A copy of any objection shall be served by email by such date on:
 - (a) The Special Master's Docket Clerk, Ms. Jean Sustaita at Jean.Sustaita@tdi.texas.gov;
 - (b) The undersigned counsel, Christopher Fuller at cfuller@fullerlaw.org; and
 - (c) All interested parties, including those listed on the Applicant's Certificate of Service.
3. The objecting party shall coordinate with the SDR's counsel and the Docket Clerk [(512)463-6450] to obtain an oral hearing setting for argument on the Application and Objection, and complete and attach an "Objecting Party's Notice of Oral Hearing" to the objection.
4. The written objection must specifically list all reasons for objection with supporting references to and discussion of statutory and case authorities. Reasons not stated in writing will not be considered orally.
5. **Failure to file timely a written objection before the Special Master constitutes a waiver of the right to object to the Special Master's recommendation to the District Court.**
6. Any Acknowledgment of Notice and Waiver to be filed by any Guaranty Association or other interested party should be filed at least three (3) calendar days before the submission or hearing date.

/Christopher Fuller/

Christopher Fuller

**SPECIAL DEPUTY RECEIVER'S CERTIFICATION PURSUANT TO
TEX. INS. CODE ANN. § 443.017(b)
AFFIDAVIT OF SUSAN E. SALCH**

State of Texas

County of Travis


BEFORE ME, the undersigned authority appeared Susan E. Salch, who after being by me duly sworn, stated the following under oath:

1. My name is Susan E. Salch. I am competent to make this affidavit. The statements of fact set forth herein are true and correct, and are within my personal knowledge.

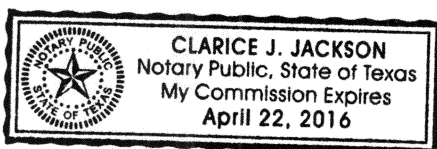
2. I am a partner in CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver of Santa Fe Auto Insurance Company (the "SDR" and "SFAIC" respectively) I am duly authorized to make this Certification and Affidavit on behalf of the SDR.

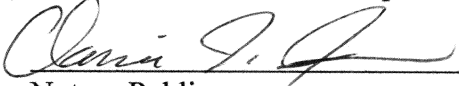
3. I certify that the exhibits, books, accounts, records, papers, correspondence, and/or other records and documents attached hereto were produced pursuant to TEX. INS. CODE ANN. § 443.017, are either true and correct copies of records of the insurer and were received from the custody of the insurer or found among its effects or were created by and filed with the Receiver's office in connection with the receivership of this delinquent insurer, and are held by the Special Deputy Receiver in its official capacity.

4. I have read the foregoing Application and the facts stated therein are true and correct based on my personal knowledge, my review of estate records and my consultation with my staff and sub-contractors.

By: 
Susan E. Salch

SUBSCRIBED AND SWORN TO BEFORE ME on April 17, 2013, by Susan E. Salch, on behalf of CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver of Santa Fe Auto Insurance Company (the "SDR" and "SFAIC" respectively).




Notary Public

APPLICATION FOR APPROVAL OF FEES AND EXPENSES
EXHIBIT A

Special Deputy Receiver

CANTILO & BENNETT, L.L.P.

SDR Primary Responsible Person/Partner	\$175.00
Partners (3)	\$175.00
Associate I	\$150.00
Associate II	\$125.00
Senior Receivership Specialist	\$100.00
Receivership Specialist (2)	\$95.00
Law Clerk	\$85.00
Administrative/Clerical	\$30.00

Legal/Litigation Services and Legal Support Services Subcontractors

Fuller Law Group

Attorney/SDR Counsel	\$200.00
----------------------	----------

Inquest Resources

Paralegal	\$80.00
Receivership Specialist	\$75.00
Litigation Assistant/Records Manager	\$45.00
Litigation Assistant/Records Technician	\$35.00

Accounting Services Subcontractor

Petrosewicz & Co., Inc.

CPA/Attorney	\$175.00
CPA I	\$170.00
CPA II (2)	\$150.00
Staff Accountant I	\$140.00
Staff Accountant II	\$95.00
Staff Accountant III	\$90.00
Staff Accountant IV	\$80.00
Clerical Staff	\$30.00

Balboa Services, Ltd., Co.

Owner/Accounting	\$115.00
Accountant (2)	\$125.00
Web Design I/Data/Computer	\$75.00
Web Design II	\$65.00
Clerical	\$30.00

Claims Services

EMKAY Associates, Inc.

Margo Kirkpatrick

Claims Management and Consulting and Reporting, Adjudicate Non-Covered Claims, Process Covered Claims, Review of Claims for Reinsurance and Reporting, Site Management, Assist in Estate Administration	\$95.00
---	---------

Brandon Murray

Software and Hardware Technical Support, POC and Data Base Administration and Management, Data Capture and Reports, Adjudicate Covered and Non-Covered Claims, Process Covered Claims, Reinsurance Database Administration and Management, Reinsurance Billing, Records Management, Site Management, Assist in Estate Administration	\$85.00
--	---------

Derek Massey

Claims Management and Consulting and Reporting, Adjudicate Non-Covered Claims, Process Covered Claims, Review of Claims for Reinsurance and Reporting, Site Management, Assist in Estate Administration	\$85.00
---	---------

Diana Mullen

Data Capture and Reports, Database Administration and Management	\$85.00
--	---------

Brenda Davis

Adjudicate Covered, and Non-Covered Claims	\$85.00
--	---------

Larry Kirkpatrick

Records Management, Site Management	\$45.00
Records Inventory	\$35.00

To Be Determined

Clerical	\$30.00
----------	---------

Information Technology/Data Processing Subcontractors

ABACI, Inc.

Project Mgr/Business Analyst/Application Designer	\$95.00
Technical Analyst/Application Designer/Conversion Specialist	\$90.00

Inquest Resources

Receivership Specialist	\$75.00
-------------------------	---------

CAUSE NO. D-1-GV-13-000204

THE STATE OF TEXAS,
Plaintiff

§
§
§
§
§
§
§
§
§

IN THE DISTRICT COURT OF

v.

TRAVIS COUNTY, TEXAS

SANTA FE AUTO INSURANCE
COMPANY
Defendant

419th JUDICIAL DISTRICT

ORDER APPROVING APPLICATION FOR APPROVAL OF FEES AND EXPENSES

The Court considered the *Application for Approval of Fees and Expenses* (the “Application”), filed by CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver of Santa Fe Auto Insurance Company, (the “SDR” and “SFAIC” respectively).

1. The *Amended Order of Reference to Master* (“Order of Reference”) entered by this Court provides that applications filed pursuant to TEX. INS. CODE § 443.007 are referred to the Special Master appointed in this proceeding;

2. The Application was submitted to the Special Master in accordance with the Order of Reference;

3. Notice of the Application was provided in accordance with TEX. INS. CODE §443.007 (d) and the Order of Reference, and no objections to the Application were filed;

4. The Special Master has issued a recommendation that the Application should be granted pursuant to Rule 171 of the Texas Rules of Civil Procedure;

5. The Court has jurisdiction over the Application and the parties affected hereunder; and

6. The Application should be GRANTED in all respects.

IT IS ORDERED, ADJUDGED, AND DECREED as follows:

1. The Application is GRANTED.
2. The terms of compensation of the Special Deputy Receiver and the contractors listed on Exhibit A to the Application are approved.
3. The anticipated expenses described in the Application are approved.
4. The Special Deputy Receiver shall file with this Court a summary of expenses incurred pursuant to TEX. INS. CODE § 443.015 (g) on a quarterly basis.
5. The SDR is authorized to take any action necessary to carry out this Order.
6. This Order constitutes a final judgment fully resolving all issues relating to the Application, provided that this Court shall retain jurisdiction to issue further orders pursuant to TEX. INS. CODE Chapter 443. This Order shall not affect, in any way, the Receiver's and SDR's immunities from suit and shall not give rise to any right to sue or create any causes of action against the Receiver or the SDR. The automatic stay, the permanent injunction and the other provisions of the Receivership Order remain in affect unless expressly modified herein.

SIGNED this ____ day of _____, 2013.

JUDGE PRESIDING