

CAUSE NO. D-1-GN-18-001285

THE TEXAS DEPARTMENT OF INSURANCE, <i>Plaintiff,</i>	§ § § § § § § § §	IN THE DISTRICT COURT OF
v.		TRAVIS COUNTY, TEXAS
ACCESS INSURANCE COMPANY, <i>Defendant.</i>		261 ST JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER’S APPLICATION FOR
APPROVAL OF RECEIVERSHIP SERVICE PROVIDERS
(DOCULYNX AND DOVE DIRECT)**

TO THE HONORABLE JUDGE OF SAID COURT:

CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver of Access Insurance Company (the “SDR” and “AIC,” respectively) files this *Application for Approval of Receivership Service Providers (Doculynx and Dove Direct)* (the “Application”).

I. INTRODUCTION

1.1 The SDR files this Application pursuant to TEX. INS. CODE § 443.015, which provides for the approval of the SDR’s expenses and compensation by the Court.

II. AUTHORITY

2.1 On March 13, 2018, the Court entered an *Agreed Order Appointing Liquidator, Permanent Injunction, and Notice of Automatic Stay* (the “Liquidation Order”) appointing the Texas Commissioner of Insurance as Liquidator of AIC. Effective March 14, 2018, the Texas Commissioner of Insurance, as Liquidator, appointed CANTILO & BENNETT, L.L.P. as Special Deputy Receiver of AIC. The SDR is authorized to file this Application pursuant to TEX. INS. CODE § 443.015.

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

property of the estate pursuant to TEX. INS. CODE § 443.005(c) and personal jurisdiction over all parties affected herein because this is a civil proceeding arising under and related to a delinquency proceeding under the Texas Insurer Receivership Act, Chapter 443 of the Texas Insurance Code.

2.4 Travis County is the mandatory, sole, and exclusive venue for this proceeding. TEX. INS. CODE § 443.005(c).

2.5 The subject matter of this Application has been referred to the Special Master appointed in this proceeding in accordance with Paragraph III of the *Order of Reference to Master*.

III. BASIS FOR APPLICATION

3.1 TEX. INS. CODE § 443.015(c)(2) requires the Receiver to submit an application for the approval of any “anticipated expense in excess of \$25,000, or such another amount established by the Court.”

3.2 The SDR files this Application to approve two long-time service providers, Doculynx (n/k/a Daida), and Dove Direct, as Receivership Service Providers, effective as of April 18, 2018. The SDR further requests the Court to approve the final terms of the SDR’s agreements with Doculynx and Dove Direct pursuant to TEX. INS. CODE § 443.015(c)(1), effective as of May 1, 2023. The SDR inadvertently failed to obtain Receivership Court approval for these vendors when they were originally retained in 2018. The omission was noted when the SDR sought approval of updated budgets for Doculynx’s and Dove Direct’s services.

3.3 At the beginning of the receivership, the SDR was forced to create an administrative system for AIC, which until then had been a virtual insurance company. All of its functions had been performed by unaffiliated, and at the time, hostile, entities. From April 2018 until the present, vendor Dove Direct handled the collection and forwarding of paper mail from AIC’s former addresses in Atlanta to Doculynx, which sorted and imaged incoming mail and indexed mail, e-

mails, and faxes. The materials were uploaded to cloud storage and the SDR retrieved the materials from the site. Due to the declining volume of mail and other items, and DocuLynx ceasing certain imaging services, the SDR will cease using DocuLynx for imaging of the mail on May 31, 2023. The SDR will stop using DocuLynx altogether as of July 31, 2023. The SDR will continue to pay Dove Direct \$25 per mail delivery, up to \$500 per month, plus a \$.30 per item fee from May 2023.

3.4 DocuLynx was originally retained to provide services for a one-time implementation fee of \$5,000 and a monthly minimum fee of \$6,000 for term of three months with actual monthly cost varying by usage. In January 2019, the SDR renewed the agreement for the same terms. In May 2021, the SDR amended its agreement with DocuLynx to reduce the monthly minimum fee to \$1,000 plus approximately \$20 per month for returned mail fees. As noted above, DocuLynx will stop providing mail and imaging services in June. The SDR will pay the company \$500 in June and July 2023 to maintain access to the images of estate records DocuLynx has stored on its servers while an estate subcontractor downloads them to the estate's servers.

3.5 Dove Direct's fees and expenses have been fixed since its original retention in 2018 - \$.30 per piece of mail and a \$25 fee per delivery.

3.6 The SDR seeks retroactive approval of the agreements with DocuLynx and Dove Direct because they have been service providers to the estate since April 2018. To date, DocuLynx has been paid approximately \$167,500 and Dove Direct has been paid approximately \$69,250. Accordingly, the SDR now requests that the estate's relationships with service providers DocuLynx and Dove Direct be approved by the Receivership Court.

3.7 The SDR requests that the Court approve the Application, retroactively approve the retention of DocuLynx and Dove Direct, and authorize the SDR to amend and update the estate's agreements with both vendors as described above. All services provided by the vendors were

reasonable and necessary and all payments to both vendors were reported in the SDR's quarterly Financial Report and Summary Statement of Expenses.

IV. NOTICE

4.1 Pursuant to TEX. INS. CODE § 443.007(d), this Application has been served on the entire service list for this proceeding, including applicable guaranty associations, in the manner shown on the Certificate of Service.

V. OFFER OF PROOF AND VERIFICATION

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

VI. NOTICE OF ELECTRONIC SERVICE REQUIREMENT

6.1 All pleadings filed in response to this Application 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 Access Insurance Company respectfully requests this Court enter an order:

- A. Granting this Application;
- B. Approving the terms of compensation of Doculynx (n/k/a Daida), and Dove Direct, as Receivership Service Providers, effective as of April 18, 2018 and as amended thereafter;
- C. Authorizing the SDR to terminate its agreement with Doculynx (n/k/a Daida), as described herein;
- D. Authorizing the SDR to continue its agreement with Dove Direct, as described herein;

- E. Approve the incurred and anticipated expenses described in the Application; and
- F. Granting the SDR such other and further relief to which it may be justly entitled.

Respectfully submitted,

FULLER LAW GROUP

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**Attorney for CANTILO & BENNETT, L.L.P.,
solely in its capacity as Special Deputy Receiver of
Access Insurance Company**

CERTIFICATE OF SERVICE

I certify that on June 5, 2023, a true and correct copy of this Application was served pursuant to the Order of Reference, the Texas Rules of Civil Procedure, and TEX. INS. CODE ANN. § 443.007 (d) on the following:

Via Email: specialmasterclerk@tdi.texas.gov

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c/o Special Master's Clerk
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/s/Christopher Fuller
Christopher Fuller

APPLICANT'S NOTICE OF SUBMISSION

Pursuant to the terms of the Order of Reference to Master entered by the District Court in this cause, the SDR's *Application for Approval of Receivership Service Providers (Doculynx and Dove Direct)* is hereby set for written submission before the Special Master, Tom Collins, on **June 20, 2023**.

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, at specialmasterclerk@tdi.texas.gov;
 - (b) The undersigned counsel, Christopher Fuller at cfuller@fullerlaw.org; and
 - (c) All interested parties, including those listed on the SDR's Certificate of Service.
3. The objecting party shall coordinate with the SDR's counsel and the Docket Clerk [(512) 676-6915] 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. **Please note that if an objection is not filed as described in the Notice of Submission, the Master may consider the Application without a hearing.**
6. **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.**
7. Any Acknowledgment of Notice and Waiver to be filed by the Guaranty Association or other interested party should be filed at least three (3) calendar days before the submission or hearing date.

/s/ Christopher Fuller/
Christopher Fuller

**SPECIAL DEPUTY RECEIVER'S VERIFICATION AND 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:

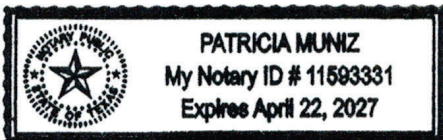
1. "My name is Susan E. Salch. I am of sound mind, capable of making this affidavit, and am competent to testify to the matters contained in this affidavit.
2. I am a partner in CANTILO & BENNETT, L.L.P., the Special Deputy Receiver of Access Insurance Company (the "SDR" and "AIC" respectively), I am duly authorized to make this Affidavit on behalf of the SDR.
3. I have reviewed the *Application for Approval of Receivership Service Providers (Doculynx and Dove Direct)* and the facts stated therein are true and correct based on my personal knowledge, my review of estate records and my consultation with the staff and subcontractors.
4. 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 § 443.017, are either true and correct copies of records of AIC and were received from the custody of AIC or found among its effects, or were created by and filed with the Receiver's office in connection with the receivership of this delinquent company, and are held by the Special Deputy Receiver in its official capacity."

By: *Susan E. Salch*
Susan E. Salch

SUBSCRIBED AND SWORN TO BEFORE ME on June 2, 2023, by Susan E. Salch, Special Deputy Receiver of Access Insurance Company

Patricia Muniz

Notary Public



THE TEXAS DEPARTMENT OF
INSURANCE,
Plaintiff,

v.

ACCESS INSURANCE COMPANY,
Defendant.

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

261ST JUDICIAL DISTRICT

**ORDER GRANTING APPLICATION FOR
APPROVAL OF RECEIVERSHIP SERVICE PROVIDERS
(DOCULYNX AND DOVE DIRECT)**

On this date, the Court heard the *Application for Approval of Receivership Service Providers (Doculynx and Dove Direct)* (the “Application”) filed by CANTILO & BENNETT, L.L.P., Special Deputy Receiver of Access Insurance Company, Inc. (the “SDR” and “AIC” respectively). The Special Deputy Receiver appeared by and through its counsel.

Having considered the Application, the Court finds as follows:

1. The *Order of Reference to Master* (“Order of Reference”) provides that motions filed pursuant to TEX. INS. CODE § 443.015 are referred to the Special Master appointed in this proceeding;
 2. Notice of the Application was provided in accordance with TEX. INS. CODE §443.007(d) and the *Order of Reference to Master*;
 3. No objections to the Application were filed;
 4. The Texas Property and Casualty Insurance Guaranty Association has filed its acknowledgement and waiver;
 5. The Court has jurisdiction over the Application and the parties affected hereunder;
- and

6. The SDR's Application should be granted in all respects.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED as follows:

1. the Application is granted;
2. the terms of compensation of Doculynx (n/k/a Daida), and Dove Direct, as Receivership Service Providers, effective as of April 18, 2018, and as amended thereafter, are approved;
3. the SDR is authorized to terminate its agreement with Doculynx (n/k/a Daida), as described in the Application;
4. the SDR is authorized to continue its agreement with Dove Direct, as described in the Application; and
5. the incurred and anticipated expenses described in the Application are approved.

SIGNED: _____, 2023.

JUDGE PRESIDING

Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Christopher Fuller on behalf of Christopher Fuller

Bar No. 07515500

cfuller@fullerlaw.org

Envelope ID: 76309498

Filing Code Description: Motion (No Fee)

Filing Description: SPECIAL DEPUTY RECEIVER'S APPLICATION FOR APPROVAL OF RECEIVERSHIP SERVICE PROVIDERS (DOCULYNX AND DOVE DIRECT)

Status as of 6/6/2023 9:53 AM CST

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Special Masters Clerk Special Masters Clerk		specialmasterclerk@tdi.texas.gov	6/5/2023 6:10:44 PM	SENT
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Associated Case Party: TEXAS DEPARTMENT OF INSURANCE

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