

IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

STATE OF TENNESSEE
ex rel. HODGEN MAINDA,
COMMISSIONER OF COMMERCE AND
INSURANCE FOR THE STATE OF
TENNESSEE

Petitioner

No. 03-295 (IV)

v.

THE RECIPROCAL ALLIANCE (RISK
RETENTION GROUP), a Tennessee
Domiciled Insurance Company

Defendants

FILED
2020 NOV -6 PM 1:26
CLERK & MASTER
DAVIDSON CO. CHANCERY CT.
D.C.&M

MOTION FOR APPROVAL OF SPECIAL DEPUTY RECEIVER,
OUTSIDE COUNSEL AND THIRD PARTY CONTRACTORS FEES
(Third Quarter 2020)

Hodgen Mainda, Commissioner of the Department of Commerce and Insurance for the State of Tennessee, as Receiver of The Reciprocal Alliance (RRG) ("TRA"), and Jeanne B. Bryant, Special Deputy Receiver of TRA, move this Court for an Order approving the fees presented for payment by the Special Deputy Receiver, outside counsel and third party contractors from July 1, 2020 through September 30, 2020. Pursuant to the previous Order entered by the Court in this proceeding, all invoices for Special Deputy Receiver services, outside counsel fees and fees for third party litigation support contractors are filed with the Court under seal and amounts of fees and time frames covered (as shown herein) are sent to nonprivileged parties.

1. The Commissioner of Commerce and Insurance was appointed Receiver for TRA on January 31, 2003, by Order of this Court.

2. Pursuant to Tenn. Code Ann. § 56-9-310, the Commissioner appointed Michael D. Pearigen as Special Deputy Receiver for TRA.

3. On January 18, 2019, the Commissioner appointed Jeanne B. Bryant to succeed Michael D. Pearigen as Special Deputy Receiver of TRA.

4. Pursuant to Tenn. Code Ann. § 56-9-310, compensation for the Special Deputy Receiver is fixed by the Commissioner, subject to the approval of the Court, and is payable from the funds or assets of the receivership estate. The Special Deputy Receiver is compensated monthly for work incurred for the receivership estate, in the amount of \$220.00 per hour. The Special Deputy Receiver submits invoices to the Commissioner and the Tennessee Department of Commerce and Insurance on a monthly basis for approval prior to payment. These invoices are reviewed and paid after approval of the Commissioner and his staff.

5. For the third quarter of 2020, the Special Deputy Receiver fees totaled \$1,848.00. The Commissioner and his staff have determined these fees to be reasonable, appropriate and necessary for the services rendered for the receivership. These fees have been approved for payment. See Affidavit of Jeanne B. Bryant ("Bryant Affidavit") and Declaration of Commissioner Hodgen Mainda filed herewith.

6. The fee arrangements with outside counsel and the third party contractors were originally negotiated between the parties as per the Order dated January 31, 2003. In support of this Motion, the Special Deputy Receiver would rely upon the Bryant Affidavit filed herewith, the Affidavit of J. Graham Matherne filed herewith regarding the fees of Wyatt, Tarrant & Combs, LLP, and the billing statements attached hereto (material relating to outside counsel's fees and third party contractors being under seal).

7. Special Deputy Receiver Bryant, the Commissioner and his staff have reviewed the Wyatt, Tarrant & Combs billings for the timeframe of July 1, 2020 through September 30, 2020, and have determined that the fees are in accordance with the Department guidelines and are fair, reasonable and proper for the services provided. See Declarations of Commissioner Hodgen Mainda, Deputy Commissioner Carter Lawrence, General Counsel John Speer, and the Bryant Affidavit attached. Special Deputy Receiver Bryant, the Commissioner and his staff have also reviewed the billings of Receivership Management, Inc. for the timeframe of July 1, 2020 through September 30, 2020, and have found these fees to be fair, reasonable and proper for the services provided. See *id.* The billings so reviewed, and for which Court approval is sought, are as follows:

- A. Invoices for Jeanne B. Bryant, Special Deputy Receiver, for services from July 1, 2020 through September 30, 2020, in the amount of \$1,848.00.
- B. Invoices for Wyatt, Tarrant & Combs, LLP for July 1, 2020 through September 30, 2020, in the amount of \$5,368.00.
- C. Invoices for Receivership Management, Inc. for July 1, 2020 through September 30, 2020, in the amount of \$732.50.

Accordingly, the Commissioner and Special Deputy Receiver respectfully move this Court for an Order approving the fees set forth in the attached schedule as indicated pursuant to T.C.A. § 56-9-310.

Respectfully submitted,



J. Graham Matherne BPR 11294
WYATT, TARRANT & COMBS, LLP
333 Commerce Street, Suite 1050
Nashville, Tennessee 37201-1837
(615) 244-0020

*Counsel for Jeanne B. Bryant, Special Deputy
Receiver of The Reciprocal Alliance, RRG, in
Liquidation*

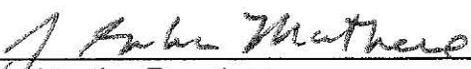
NOTICE OF HEARING

THIS MOTION HAS BEEN ENTERED IN THE MOTION BOOK AND IS EXPECTED TO BE HEARD ON FRIDAY, November 20, 2020, AT 9:00 A.M. IF NO RESPONSE IS TIMELY FILED AND SERVED, THE MOTION SHALL BE GRANTED WITHOUT FURTHER HEARING.

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing has been delivered by U.S. Mail, First Class postage prepaid, to the following on this 6th day of November, 2020:

Sarah A. Hiestand, Senior Counsel
Office of the Attorney General
State of Tennessee
Post Office Box 20207
Nashville, TN 37202-0207



Counsel to the Receiver

INTERIM FEE SCHEDULE

<u>DATE</u>	<u>DESCRIPTION</u>	<u>MEMO</u>	<u>AMOUNT</u>
7/20	Jeanne B. Bryant	July Receiver Fees	\$748.00
8/20	Jeanne B. Bryant	August Receiver Fees	\$352.00
9/20	Jeanne B. Bryant	September Receiver Fees	\$748.00
TOTAL RECEIVER FEES			\$ 1,848.00
7/20	Wyatt Tarrant & Combs, LLP	July Attorney Fees	\$3,784.00
8/20	Wyatt Tarrant & Combs, LLP	August Attorney Fees	\$ 418.00
9/20	Wyatt Tarrant & Combs, LLP	September Attorney Fees	\$1,166.00
TOTAL WYATT TARRANT & COMBS, LLP ATTORNEY FEES			\$5,368.00
7/20	Receivership Management, Inc.	July Fees	\$ 496.60
8/20	Receivership Management, Inc.	August Fees	\$ 95.50
9/20	Receivership Management, Inc.	September Fees	\$ 140.40
TOTAL RECEIVERSHIP MANAGEMENT, INC. FEES			\$ 732.50

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STATE OF TENNESSEE
ex rel HODGEN MAINDA, COMMISSIONER
OF COMMERCE AND INSURANCE FOR
THE STATE OF TENNESSEE

No. 03-295-IV

Petitioner

v.

THE RECIPROCAL ALLIANCE (RISK
RETENTION GROUP), a Tennessee
Domiciled Insurance Company

Defendants

DECLARATION OF COMMISSIONER HODGEN MAINDA

I, HODGEN MAINDA, declare as follows:

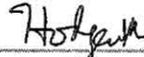
1. I am of majority age and have personal knowledge of the facts set forth herein.
2. I am the Commissioner of Commerce and Insurance for the State of Tennessee and statutory receiver for The Reciprocal Alliance (RRG) ("TRA"). On January 18, 2019, the Commissioner appointed Jeanne B. Bryant to succeed Michael D. Pearigen as Special Deputy Receiver of TRA. The Special Deputy Receiver is compensated monthly for work incurred for the receivership estate, at a rate of \$220.00 per hour.
3. Either I, or my staff, have reviewed the fees and invoices contained in this filing for the services performed by the current and former Special Deputy Receiver for the period of July 1, 2020 through September 30, 2020. This review was performed according to procedures established by the Commissioner effective March 1, 2003, and requires that fees be reviewed on a monthly basis, utilizing the test set forth by the Tennessee Court of Appeals.
4. Based on the recommendations of my staff, I have determined that the rates charged by the Special Deputy Receiver are either at a discounted or market rate for the services performed.

5. Either I, or my staff, have reviewed the invoices and fees presented by the Special Deputy Receiver, and I have determined that all of the services noted are fair, reasonable and proper for the services provided and that they are necessary costs of this receivership. The invoices and fees attached as Exhibits to the Motion note the work performed, the amount charged and the person performing the work. No billings were excessive or duplicative.

6. Furthermore, either I, or my staff, have reviewed the fees for Legal Counsel and Third Party Contractors approved by the Special Deputy Receiver and presented with this filing, and based on the recommendations of the Special Deputy Receiver, I have determined that these fees are fair, reasonable and proper for the services provided. All fees have been reviewed on a monthly basis prior to payment.

7. Therefore, as noted above, I have applied the test set forth by the Tennessee Court of Appeals in reviewing and approving these fees.

Upon penalty of perjury I declare that the foregoing is true and accurate to the best of my knowledge.



Hodgen Mainda (Nov 4, 2020 17:01 CST)

HODGEN MAINDA

Nov 4, 2020

Date: _____

IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

STATE OF TENNESSEE
ex rel HODGEN MAINDA, COMMISSIONER
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No. 03-295-IV

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DECLARATION OF CARTER LAWRENCE

I, CARTER LAWRENCE, declare as follows:

1. I am of majority age and have personal knowledge of the facts set forth herein. I submit this Affidavit in support of the Application for Approval of Fees.

2. I am Deputy Commissioner for the Tennessee Department of Commerce and Insurance. As such, I have reviewed all of the invoices for the professional fees presented for payment from July 1, 2020 through September 30, 2020, in the receivership of The Reciprocal Alliance (RRG) by Special Deputy Receiver Jeanne B. Bryant, legal counsel and third party contractors.

3. All of the invoices of the Special Deputy Receiver, legal counsel and third party contractors which are submitted to the Court as part of this Application, have been reviewed and determined to be reasonable, appropriate and necessary for the services rendered to this receivership, and have been approved for payment by the Commissioner of Commerce and Insurance.

Upon penalty of perjury I declare that the foregoing is true and accurate to the best of my knowledge.


Carter Lawrence (Nov 4, 2020 16:58 CST)

CARTER LAWRENCE
Date: Nov 4, 2020

IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

STATE OF TENNESSEE
ex rel HODGEN MAINDA,
COMMISSIONER OF COMMERCE AND
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DECLARATION OF JOHN SPEER

I, John Speer, declare as follows:

1. I am of majority age and have personal knowledge of the facts set forth herein. I submit this Affidavit in support of the Application for Approval of Fees.

2. I am General Counsel for the Department of Commerce and Insurance. As such, I have reviewed all of the invoices for the professional fees presented for payment from July 1, 2020 through September 30, 2020, in the receivership of The Reciprocal Alliance (RRG) by Special Deputy Receiver Jeanne B. Bryant, legal counsel and third party contractors.

3. All of the invoices of the current and former Special Deputy Receiver, legal counsel and third party contractors which are submitted to the Court as part of this Application, have been reviewed and determined to be reasonable, appropriate and necessary for the services rendered to this receivership, and have been approved for payment by the Commissioner of Commerce and Insurance.

Upon penalty of perjury I declare that the foregoing is true and accurate to the best of my knowledge.



JOHN SPEER

Date: _____

Nov 4, 2020

IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

STATE OF TENNESSEE
ex rel HODGEN MAINDA, COMMISSIONER
OF COMMERCE AND INSURANCE FOR
THE STATE OF TENNESSEE

No. 03-295-IV

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THE RECIPROCAL ALLIANCE (RISK
RETENTION GROUP), a Tennessee
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Defendants

AFFIDAVIT OF JEANNE B. BRYANT

Having been duly sworn, I, Jeanne B. Bryant, attest as follows:

1. I am of majority age and have personal knowledge of the facts set forth herein. I submit this Affidavit in support of the Motion for approval of fees as Special Deputy Receiver and for approval of outside counsel and third party contractor fees.

2. On January 18, 2019, I was appointed by the Commissioner as Special Deputy Receiver of The Reciprocal Alliance (RRG) ("TRA"), and thus have been responsible for the administration of TRA for the period of July 1, 2020 through September 30, 2020.

3. As Special Deputy Receiver, I have filed for interim fees in the amount of \$1,848.00 for the period of time from July 1, 2020 through September 30, 2020.

4. The fees presented for approval were necessary for the work provided and are not duplicative or excessive. I believe the fees presented for approval are fair, reasonable, and proper for the services provided.

5. I am responsible for engaging and approving all third party contractors and for approving fees of legal counsel engaged by the Commissioner, all of whose fees are contained in this Motion. The invoices and fees attached as Exhibits to the Motion note the work performed, the amount charged, and the person performing the work. I have determined that the rates being charged by the contractors and counsel are either at a discounted or market rate for the services provided.

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TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

STATE OF TENNESSEE
ex rel HODGEN MAINDA, COMMISSIONER
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No. 03-295-IV

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Defendants

AFFIDAVIT OF J. GRAHAM MATHERNE

Having been duly sworn, I, J. Graham Matherne, attest as follows:

1. I am of majority age and have personal knowledge of the facts set forth herein. I submit this Affidavit in support of the Application for Approval of Fees.
2. Together with other attorneys at Wyatt, Tarrant & Combs, L.L.P., I am outside counsel to the Special Deputy Receiver.
3. I am a partner of the law firm of Wyatt, Tarrant & Combs, L.L.P. My standard hourly rate, depending upon the complexity of the case, is approximately \$420.00 per hour. When, on January 18, 2019, Jeanne B. Bryant was appointed Special Deputy Receiver for The Reciprocal Alliance (RRG) ("TRA"), she retained me and my firm (Wyatt, Tarrant & Combs, LLP) as outside counsel. For this engagement and client, Wyatt, Tarrant & Combs, L.L.P. agreed to bill at a rate \$220.00/hour for all Wyatt, Tarrant & Combs, L.L.P. attorneys rendering normal professional services in this matter, as well as a reduction of expenses and costs. Of all my clients, only the Special Deputy Receiver receives this measure of discount, as well as reduced expenses.
4. For over twenty years, I, or others at this Firm, have represented various past receiverships under numerous administrations for the State of Tennessee. I and others at this Firm have been outside counsel for the Department of Commerce and Insurance and special deputy receivers in other insurance receivership matters, including the receiverships of (a) Petroleum Marketers Mutual Insurance Company, (b) Anchorage Fire & Casualty Insurance Company, (c) Genesis Insurance and

Financial Services, Inc., (d) Xantus Healthplan of Tennessee, Inc., and (e) Franklin American Life Insurance Company.

5. On a monthly basis, Wyatt, Tarrant & Combs, L.L.P. sends fee statements to the Special Deputy Receiver for payment. Prior to sending those fee statements, I review each statement to assure that the TRA Receivership is billed at the agreed-upon rate, that the hours charged are accurately reflected on the statement, and that the hours charged are reasonable and appropriate in light of the professional services rendered. When appropriate, I occasionally make corrections to the statement with respect to hours worked and services rendered. Such corrections are always deductions in favor of the client.

6. I have reviewed all of the Wyatt, Tarrant & Combs, L.L.P. invoices, which are submitted to the Court as part of this Application. These statements fairly, accurately and reasonably reflect the professional services performed at the direction of the Special Deputy Receiver, and the fees incurred in accordance with my firm's engagement.

FURTHER AFFIANT SAITH NOT.

J. Graham Matherne
J. GRAHAM MATHERNE, BPR 11294

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

Sworn to and subscribed before me by J. GRAHAM MATHERNE on this 2nd
day of November 2020.



Satena Scoggins
Notary Public
My Commission Expires: 5/3/2021

IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

ED

NOV - 6 2020

DC

M. SALAS, C & M
DAVIDSON CO. CHANCERY CT.

STATE OF TENNESSEE
ex rel. JULIE MIX McPEAK,
COMMISSIONER OF COMMERCE AND
INSURANCE FOR THE STATE OF
TENNESSEE,

No. 03-295 (IV)

Petitioner,

v.

THE RECIPROCAL ALLIANCE (RISK
RETENTION GROUP), a Tennessee
Domiciled Insurance Company,

Defendants.

FILED
NOV - 6 2020
ON _____
BY _____ DC & M
MARIA M. SALAS, C & M
DAVIDSON CO. CHANCERY CT.

EXHIBITS TO MOTION FOR APPROVAL OF THIRD QUARTER 2020 FEES

FOR PERIOD JULY 1, 2020 THROUGH SEPTEMBER 30, 2020

FILED UNDER SEAL