

FINDINGS OF FACT

1. PBR had a \$160,000 receivable, \$10,000 of which was in the form of an advance paid to Captive Transactions, LLC, PBR's exclusive marketing agent. This contract was proposed to the Nevada Division of Insurance without appropriate disclosures, as required when there is a conflict of interest because of common management, ownership, and control between parties. The \$10,000 advance, for unknown purposes, was never recovered from Captive Transactions, LLC, and was not pursued in a manner that would be indicative of an arm's length transaction.
2. Lawrence Mohn is CEO and CFO of PBR. His son, Keith Mohn, was a principle at Captive Transactions, LLC.
3. Craig Benson, national attorney for PBR, also was a principle at Captive Transactions, LLC.
4. PBR had impaired Capital & Surplus (less than the statutorily required minimum of \$500,000) on its balance sheet as reported to the Nevada Division of Insurance on three separate occasions: September 30, 2011, December 31, 2011, and on December 31, 2012. An undisclosed underwriting contract, if properly reported to the Nevada Division of Insurance, would have shown that PBR was insolvent (assets were less than the sum of liabilities) on September 30, 2011. Due to the same undisclosed underwriting contract, and the misreporting of the Captive Transactions, LLC receivable, a properly submitted report to the Nevada Division of Insurance would have shown that PBR was also insolvent on December 31, 2012. PBR never was able to cure the impairment of capital and surplus from the December 31, 2012 balance sheet, pursuant to an Order from the Commissioner. As a result of this failure to cure, PBR consented to be placed in receivership. A proposed run-off plan submitted by PBR to the Nevada Division of Insurance results in and confirms insolvency.

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CONCLUSIONS OF LAW

1. Pursuant to 696B.210(2), PBR is in unsound condition, or is using, or has been subject to such methods and practices in the conduct of its business as to render its further transaction of insurance presently or prospectively hazardous to its policyholders, or creditors, or the public.
2. Pursuant to 696B.220(1), PBR has failed to cure an impairment of surplus, or capital, or assets within the time allowed therefor by any lawful order of the Commissioner.
3. Pursuant to 696B.220(2), PBR is insolvent.
4. Pursuant to 696B.220(6), PBR has consented to liquidation by written authorization of a majority of its directors, or stockholders, or members.

ORDER

1. Commissioner of Insurance, Scott J. Kipper ("Commissioner"), should be, and is hereby, appointed Permanent Receiver of PBR ("Receiver") and is hereby vested, in addition to the powers set forth herein, with all the powers and authority expressed or implied under the provisions of Chapter 696B of the Nevada Revised Statutes ("NRS"), and any other applicable law. The Receiver may do all acts necessary or appropriate for the conservation, rehabilitation, or liquidation of Defendants.

2. PBR is hereby ordered liquidated pursuant to Chapter 696B of NRS.

3. The Receiver is hereby vested with exclusive title both legal and equitable to all of Defendant's assets, books, records, property, real and personal, including all property or ownership rights, choate or inchoate, whether legal or equitable of any kind or nature, including, but not limited to, all causes of action, defenses, letters of credit relating to the Defendant or its business, all stocks, bonds, certificates of deposit, cash, cash equivalents, contract rights, reinsurance contracts and reinsurance recoverables, in force insurance contracts and business, deeds, mortgages, leases, book entry deposits, bank deposits, certificates of deposit, evidences of indebtedness, bank accounts, securities of any kind or

1 nature, both tangible and intangible, including, but without being limited, to any special,
2 statutory or other deposits or accounts made by or for Defendant with any officer or agency of
3 any state government or the federal government or with any banks, savings and loan
4 associations, or other depositories and including such property of Defendant which may be
5 discovered hereafter, wherever the same may be located and in whatever name or capacity it
6 may be held (all of the foregoing being hereinafter referred to as the "Property"), and is hereby
7 directed to take immediate and exclusive possession and control of same. In addition to
8 vesting title to all of the Property in the Receiver or his successors, the said Property is hereby
9 placed in the *custodia legis* of this Court. Commissioner, in his capacity as Receiver, and the
10 Court, hereby assume and exercise sole and exclusive jurisdiction over all the Property and
11 any claims or rights respecting such Property to the exclusion of any other court or tribunal,
12 such exercise of sole and exclusive jurisdiction being hereby found to be essential to the
13 safety of the public and of the claimants against Defendant.

14 4. The Receiver is authorized to employ and to fix the compensation of such
15 deputies, counsel, employees, accountants, actuaries, investment counselors, asset
16 managers, consultants, assistants, and other personnel as he considers necessary. Any
17 Deputy Receiver or appointed by the Receiver pursuant to this Order shall exercise all of the
18 authority of the Receiver pursuant hereto subject only to oversight by the Receiver and the
19 Court. All compensation and expenses of such persons, and of taking possession of
20 Defendant, and conducting this proceeding, shall be paid out of the funds and assets of
21 Defendant in accordance with NRS 696B.290.

22 5. All persons, corporations, partnerships, associations, and all other entities
23 wherever located, are hereby enjoined and restrained from interfering in any manner with the
24 Receiver's possession of the property or his title to or right therein and from interfering in any
25 manner with the conduct of the receivership of Defendant. Said persons, corporations,
26 partnerships, associations, and all other entities are hereby enjoined and restrained from
27 wasting, transferring, selling, disbursing, disposing of, or assigning the Property and from
28 attempting to do so.

1 6. All claims against Defendant or its assets must be submitted to the Receiver as
2 specified herein to the exclusion of any other method of submitting or adjudicating such claims
3 in any forum, court, or tribunal subject to the further Order of the Court. The Receiver is
4 hereby authorized to adopt a Receivership Appeal Procedure to facilitate the orderly
5 disposition or resolution of claims or controversies involving the receiverships or the
6 receivership estates.

7 7. The Receiver may change to his own name the name of any of Defendant's
8 accounts, funds, or other property or assets held with any bank, savings, and loan association
9 or other financial institution, wherever located, and may withdraw such funds, accounts, and
10 other assets from such institutions or take any lesser action necessary for the proper conduct
11 of the receivership.

12 8. All secured creditors or parties, pledge holders, lien holders, collateral holders,
13 or other persons claiming secured, priority, or preferred interest in any property or assets of
14 Defendant, including any governmental entity, are hereby enjoined from taking any steps
15 whatsoever to transfer, sell, encumber, attach, dispose of, or exercise purported rights in or
16 against the Property.

17 9. The officers, directors, trustees, partners, affiliates, agents, creditors, insureds,
18 employees, and policyholders of Defendant, and all other persons or entities of any nature
19 including, but not limited to, claimants, plaintiffs, petitioners, and any governmental agencies
20 who have claims of any nature against Defendant, including cross-claims, counterclaims, and
21 third-party claims, are hereby permanently enjoined and restrained from doing or attempting to
22 do any of the following except in accordance with the express instructions of the Receiver:

- 23 a. conducting any portion or phase of the business of Defendant;
- 24 b. commencing, bringing, maintaining or further prosecuting any action at law,
25 suit in equity, arbitration, or special or other proceeding against Defendant or
26 its estate, or the Receiver and his successors in office, as Receiver thereof,
27 or any person appointed pursuant to paragraph 3. hereinabove;
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- 1 c. making or executing any levy upon, selling, hypothecating, mortgaging,
- 2 wasting, conveying, dissipating, or asserting control or dominion over the
- 3 Property or the estate of Defendant;
- 4 d. seeking or obtaining any preferences, judgments, foreclosures, attachments,
- 5 levies, or liens of any kind against the Property;
- 6 e. interfering in any way with these proceedings or with the Receiver, or any
- 7 successor in office, in his acquisition of possession of, the exercise of
- 8 dominion or control over, or his title to the Property, or in the discharge of his
- 9 duties as Receiver thereof; or
- 10 f. commencing, maintaining, or further prosecuting any direct or indirect
- 11 actions, arbitrations, or other proceedings against any insurer of Defendants
- 12 for proceeds of any policy issued to Defendants.

13 10. However, notwithstanding any other provision of this Order, the commencement
14 of conservatorship, receivership, liquidation, or other delinquency proceedings against
15 Defendant in another jurisdiction by an official lawfully authorized to commence such
16 proceeding shall not constitute a violation of this Order.

17 11. No bank, savings and loan association or other financial institution shall, without
18 first obtaining permission of the Receiver, exercise any form of set-off, alleged set-off, lien, or
19 other form of self-help whatsoever or refuse to transfer the Property to the Receiver's control.

20 12. The Receiver shall have the power:

- 21 a. to collect all debts and monies due and claims belonging to Defendant,
- 22 wherever located, and for this purpose:
 - 23 i. to institute and maintain timely actions in other jurisdictions in order to
 - 24 forestall garnishment and attachment proceedings against such debts;
 - 25 ii. to do such other acts as are necessary or expedient to marshal,
 - 26 collect, conserve, or protect its assets or property, including the power
 - 27 to sell, compound, compromise, or assign debts for purposes of
 - 28 collection upon such terms and conditions as he deems appropriate,

1 and the power to initiate and maintain actions at law or equity or any
2 other type of action or proceeding of any nature, in this and other
3 jurisdictions;

- 4 iii. to pursue any creditor's remedies available to enforce his claims;
- 5 b. to conduct public and private sales of the assets and property of Defendant,
6 including any real property;
- 7 c. to acquire, invest, deposit, hypothecate, encumber, lease, improve, sell,
8 transfer, abandon, or otherwise dispose of or deal with any asset or property
9 of Defendant, and to sell, reinvest, trade, or otherwise dispose of any
10 securities or bonds presently held by, or belonging to, Defendant upon such
11 terms and conditions as he deems to be fair and reasonable, irrespective of
12 the value at which such property was last carried on the books of Defendant.
13 He also shall have the power to execute, acknowledge, and deliver any and
14 all deeds, assignments, releases, and other instruments necessary or proper
15 to effectuate any sale of property or other transaction in connection with the
16 receivership;
- 17 d. to borrow money on the security of Defendant's assets, with or without
18 security, and to execute and deliver all documents necessary to that
19 transaction for the purpose of facilitating the receivership;
- 20 e. to enter into such contracts as are necessary to carry out this Order, and to
21 affirm or disavow any contracts to which Defendant is a party;
- 22 f. to institute and to prosecute, in the name of Defendant or in his own name,
23 any and all suits and other legal proceedings; to defend suits in which the
24 Defendant or the Receiver is a party in this state or elsewhere, whether or
25 not such suits are pending as of the date of this Order; to abandon the
26 prosecution or defense of such suits, legal proceedings, and claims which he
27 deems inappropriate; to pursue further and to compromise suits, legal
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- proceedings, or claims on such terms and conditions as he deems appropriate;
- g. to prosecute any action which may exist on behalf of the policyholders, insureds, or creditors of the Defendant against any officer or director of Defendant, or any other person;
 - h. to remove any or all records and other property of Defendant to the offices of the Receiver or to such other place as may be convenient for the purposes of the efficient and orderly execution of the receivership, and to dispose of or destroy, in the usual and ordinary course, such of those records and property as the Receiver may deem or determine to be unnecessary for the receivership;
 - i. to file any necessary documents for recording in the office of any recorder of deeds or record office in this County or wherever the Property of Defendant is located;
 - j. to intervene in any proceeding wherever instituted that might lead to the appointment of a conservator, receiver, or trustee of the Defendant or its subsidiaries, and to act as the receiver or trustee whenever the appointment is offered;
 - k. to enter into agreements with any ancillary receiver of any other state as he may deem to be necessary or appropriate;
 - l. to perform such further and additional acts as he may deem necessary or appropriate for the accomplishment of or in aid of the purpose of the receivership, it being the intention of this Order that the aforestated enumeration of powers shall not be construed as a limitation upon the Receiver;
 - m. to terminate and disavow the authority previously granted Defendant's agents or marketing representatives to represent them in any respect, including the underlying agreements, and any continuing payment obligations

- 1 created therein, as of the receivership date, with reasonable notice to be
2 provided and agent compensation accrued prior to any such termination or
3 disavowal to be deemed a general creditor expense of the receivership;
- 4 n. to affirm, reject, or disavow any leases or executory contracts to which
5 Defendant is a party at such times as they deem appropriate under the
6 circumstances, provided that payment due for any goods or services
7 received after appointment of the Commissioner as Receiver, with his
8 consent, will be deemed to be an administrative expense of the receivership,
9 and provided further that other unsecured amounts properly due under the
10 disavowed contract, and unpaid solely because of such disavowal, will give
11 rise to a general unsecured creditor claim in the Receivership proceeding;
- 12 o. to institute and to prosecute, in the name of Defendant or in their own name,
13 any and all suits and other legal proceedings; to defend suits in which any
14 Respondent or the Receiver is a party in this state or elsewhere, whether or
15 not such suits are pending as of the date of this Order; to abandon the
16 prosecution or defense of suits, legal proceedings, and claims which the
17 Receiver deems inappropriate to pursue further and to compromise suits,
18 legal proceedings, or claims on such terms and conditions as the Receiver
19 deems appropriate;
- 20 p. to prosecute any action which may exist on behalf of the subscribers,
21 members, insureds, policyholders, or creditors of Defendant against any
22 officer or director of Defendant, or any other person; and
- 23 q. Defendant, its officers, directors, partners, agents and employees, any
24 person acting in concert with them, and all other persons having any property
25 or records belonging to Defendant, including data processing information and
26 records of any kind such as, by way of example only, source documents, are
27 hereby ordered and directed to surrender custody and to assign, transfer,
28 and deliver to the Receiver all of such property in whatever name the same

1 may be held, and any persons, firms or corporations having any books,
2 papers, or records relating to the business of Defendant shall preserve the
3 same and submit these to the Receiver for examination at all reasonable
4 time. Any property, books, or records asserted to be simultaneously the
5 property of Defendant and other parties, or alleged to be necessary to the
6 conduct of the business of other parties though belonging in part or entirely
7 to Defendant, shall nonetheless be delivered immediately to the Receiver
8 who shall make reasonable arrangements for copies or access for such other
9 parties without compromising the interests of the Receiver or the Defendant;

10 13. All persons, corporations, associations, and all other entities, wherever located
11 are hereby enjoined and restrained from interfering in any manner with the Receiver's
12 possession of the Property or their title to or right therein and from interfering in any manner
13 with the conduct of the receivership of Respondents. Said persons, corporations,
14 associations, and all other entities are hereby enjoined and restrained from wasting,
15 transferring, selling, disbursing, disposing of, or assigning the Property and from attempting to
16 do so.

17 14. All secured creditors or parties, pledge holders, lien holders, collateral holders,
18 or other persons claiming secured, priority, or preferred interest in any property or assets of
19 Respondents, including any governmental entity, are hereby enjoined from taking any steps
20 whatsoever to transfer, sell, encumber, attach, dispose of, or exercise purported rights in or
21 against the Property without the consent of the Receiver.

22 15. Nothing in this Order may be construed as to prevent the Nevada Life and
23 Health Insurance Guaranty Association and the Nevada Insurance Guaranty Association from
24 exercising their respective powers under Title 57 of the NRS.

25 16. In addition to that provided by statute or by the Defendant's policies or contracts,
26 the Receiver may, at such time he deems appropriate, without prior notice, subject to the
27 following provisions, impose such full or partial moratoria or suspension upon the payments or
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1 other obligations which arise as sums due under the policies or contracts issued by
2 Defendant, provided that

3 a. Any such suspension or moratorium shall apply in the same manner or to the
4 same extent to all policies or contracts of the same type or to the particular
5 types or payments due thereunder. However, the Receiver may, in his sole
6 discretion, impose the same upon only certain types, but not all, of the
7 payments due under any particular type of contract or policy.

8 b. Notwithstanding any other provision of this Order, the Receiver may
9 implement a procedure for the exemption from any such moratorium or
10 suspension, those hardship claims, as he may define them, that he, in his
11 sole discretion, deems proper under the circumstances.

12 17. The Receiver shall only impose such moratorium or suspension when the same
13 is not specifically provided for by contract or statute as part, or in anticipation, of a plan for the
14 partial or complete rehabilitation of Defendant or when necessary to determine whether such
15 partial or complete rehabilitation is reasonably feasible.

16 18. Under no circumstances shall the Receiver be liable to any person or entity for
17 his good faith decision to impose, or to refrain from imposing, such policy lien, moratorium, or
18 suspension.

19 19. Notice of such policy lien, moratorium, or suspension, which may be by
20 publication, shall be provided to the holders of all policies or contracts affected thereby.

21 20. Except as provided herein, all rights and liabilities of the Defendant's members,
22 insureds, policyholders, creditors, subscribers, stockholders, and other persons interested in
23 the assets of Defendant shall be fixed as of the date of the entry of this order to liquidate, as
24 provided under NRS 696B.400.

25 21. The Receiver and all deputies, special deputies, attorneys, accountants,
26 actuaries, investment counselors, asset managers, peace officers, and other consultants are
27 deemed to be public officers acting in their official capacities on behalf of the state and shall
28 have no personal liability for or arising out of their acts or omissions performed in good faith in

1 connection with their services performed in connection with these or related proceedings or
2 pursuant to this or related orders, except as regards claims by the Receiver.

3 22. No judgment, order, attachment, garnishment sale, assignment, transfer,
4 hypothecation, lien, security interest, or other legal process of any kind with respect to or
5 affecting the Defendant or the Property shall be effective or enforceable or form the basis for a
6 claim against Defendant or the Property unless entered by the Court, or unless the Court has
7 issued its specific order, upon good cause shown and after due notice and hearing, permitting
8 same.

9 23. All costs, expenses, fees, or any other charges of the Receivership, including,
10 but not limited to, fees and expenses of accountants, peace officers, actuaries, investment
11 counselors, asset managers, attorneys, special deputies, and other assistants employed by
12 the Receiver, the giving of the Notice required herein, and other expenses incurred in
13 connection herewith, shall be paid from the assets of Defendant. Provided, further, that the
14 Receiver may, in his sole discretion, require third parties, if any, who propose rehabilitation
15 plans with respect to Defendant to reimburse the estate of Defendant for the expenses,
16 consulting or attorney's fees and other costs of evaluating and/or implementing any such plan.

17 24. If any provision of this Order or the application thereof is for any reason held to
18 be invalid, the remainder of this Order and the application thereof to other persons or
19 circumstances shall not be affected thereby.

20 25. The Receiver may, at any time, make further application for such further and
21 different relief as he sees fit.

22 26. The Court shall retain jurisdiction for all purposes necessary to effectuate and
23 enforce this Order.

24 27. The Receiver is authorized to deliver to any person or entity a certified copy of
25 this Order, or of any subsequent order of the Court, such certified copy, when so delivered,
26 being deemed sufficient notice to such person or entity of the terms of such Order. But
27 nothing herein shall relieve from liability, nor exempt from punishment by contempt, any
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1 person or entity who, having actual notice of the terms of any such Order, shall be found to
2 have violated the same.


3 28. The Receiver or Special Deputy Receiver shall file with the Court quarterly
4 reports in summary form of the affairs of PBR under receivership.

5 29. The first Status Report is due July 13, 2014.

6 DATED this 17 day of June, 2014.

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9 DISTRICT JUDGE

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12 Respectfully submitted by:
13 CATHERINE CORTEZ MASTO
14 Attorney General

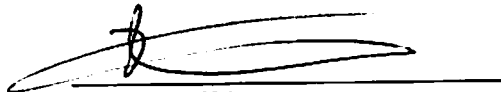
15 By: 
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22 Attorney for the Division of Insurance
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CERTIFICATE OF MAILING

I hereby certify that on the 17th day of June, 2014, I served a copy of the foregoing by placing the foregoing in the United States Mail, postage prepaid, addressed as follows:

Richard Paili Yein, Esq.
Deputy Attorney General
100 N. Carson Street
Carson City, NV 89701

Richard S. Staub, Esq.
P.O. Box 392
Carson City, NV 89702



Angela Jeffries
Judicial Assistant, Dept. 1

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OFFICE OF THE ATTORNEY GENERAL
CARSON CITY, NEVADA

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