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6  
7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
8 **FOR THE COUNTY OF LOS ANGELES**

9  
10 JOHN GARAMENDI, Insurance  
Commissioner of the State of California,

11 Applicant,

12 vs.

13 MISSION INSURANCE COMPANY, a  
California corporation,

14 Respondent.  
15

16 Consolidated with Case Numbers

17 C 576 324; C 576 416;  
C 576 323; C 576 325; C 629 709  
18

) Case No. C 572 724

) Honorable John Shepard Wiley Jr.

) **NOTICE OF ENTRY OF ORDER**  
) **WHICH AUTHORIZES**  
) **DISTRIBUTION AND CLOSURE OF**  
) **MISSION INSURANCE COMPANY**  
) **TRUST AND MISSION NATIONAL**  
) **INSURANCE COMPANY TRUST**

) Hon. John Shepard Wiley Jr.

) Department : 50

) Action filed: October 31, 1985

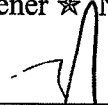
) Hearing date: January 24, 2006

) Hearing time: 8.30 a.m.  
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Please take notice that on January 24, 2006 the Court heard the Motion to Approve Accounting and Authorize Distribution, as well as the Motion to Authorize Closing Procedures for Mission Insurance Company Trust and Motion to Authorize Closing Procedures as to Mission National Insurance Company Trust. On January 24, 2006 the Court entered the order attached as Exhibit "A" GRANTING the motions.

Wisener ★ Nunnally ★ Gold, LLP



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**ORIGINAL FILED**

JAN 24 2006

**LOS ANGELES  
SUPERIOR COURT**

5  
6 Attorneys for Insurance Commissioner

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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
9 **FOR THE COUNTY OF LOS ANGELES**

10 JOHN GARAMENDI, Insurance )  
11 Commissioner of the State of California, )  
12 Applicant, )  
13 vs. )  
14 MISSION INSURANCE COMPANY, a )  
California corporation, )  
15 Respondent. )

Case No. C 572 724

~~PROPOSED~~ ORDER WHICH  
AUTHORIZES DISTRIBUTION AND  
CLOSURE OF CASE AS TO MISSION  
INSURANCE COMPANY TRUST AND  
MISSION NATIONAL INSURANCE  
COMPANY TRUST

Date: January 24, 2006  
Time: 8:30 a.m.  
Department: 50

16  
17 Consolidated with Case Numbers  
18 C 576 324; C 576 416;  
C 576 323; C 576 325; C 629709  
19

Filed: October 31, 1985

1 On the 24<sup>th</sup> day of January, 2006, this Court held the final hearing on the Motion to  
2 Authorize Closing Procedures for Mission Insurance Company Trust and the Motion to Authorize  
3 Closing Procedures as to Mission National Insurance Company Trust. . This Court also considered  
4 the Insurance Commissioner's Motion to Approve Accounting and Authorize Distributions.  
5 This Court previously granted the Insurance Commissioner's Motion to Authorize Closing  
6 Procedures, and entered its preliminary order which gave notice of this hearing.

7 The Court considered the pleadings and papers on file, including the Declaration of Mohsen  
8 Sultan and the Declaration of Raymond Minehan. The Court finds that these declarations support the  
9 relief granted herein, and that due notice was given.

10 The Court hereby GRANTS the Insurance Commissioner's Motions and ORDERS as  
11 follows:

12 a. The Court hereby authorizes the Insurance Commissioner to implement the distributions set forth  
13 in the motions and to administer those assets not distributed as set forth in the motion, and to  
14 accomplish the steps involved in closing the Mission Insurance Company Trust and Mission  
15 National Insurance Company Trust proceeding. This Court retains jurisdiction to approve a closing  
16 budget by subsequent motion;

17 b. The Court hereby authorizes the Insurance Commissioner to distribute to all approved  
18 policyholder class claimants of Mission Insurance Company Trust and Mission National Insurance  
19 Company Trust an amount sufficient to bring each approved policyholder class claimant up to one  
20 hundred percent of the principal of the approved amount of that policyholder's claims.

21 c. The Court hereby authorizes the Insurance Commissioner to distribute to all approved general  
22 creditor class claimants of Mission Insurance Company Trust an amount sufficient to pay thirty  
23 percent of the principal of their approved general creditor class proofs of claims.

24 d. The Court hereby authorizes the Insurance Commissioner to distribute to all approved general  
25 creditor class claimants of Mission National Insurance Company Trust an amount sufficient to pay  
26 one hundred percent of the principal of their approved general creditor class proofs of claims.

27 e. The Court hereby authorizes the remaining funds in the trust to be retained in the trust, to be  
28 distributed upon a re-opening of this case for the purpose of such distribution, as to which this Court

1 retains and reserves full jurisdiction.

2 f. The Court will consider by motion now set for February 24, 2006, whether to authorize the  
3 Insurance Commissioner to enter into, effectuate, execute, and consummate the Rehabilitation  
4 Implementation Agreement and related documents with Covanta Holding Corporation, and to  
5 execute and implement the steps set forth in those agreements.

6 g. The Court hereby authorizes the Insurance Commissioner to distribute the shares of Covanta  
7 Holding Corporation attributable to Mission Insurance Company Trust and Mission National  
8 Insurance Company Trust, to approved unpaid (or partially unpaid) claimants against Mission  
9 Insurance Company Trust and Mission National Insurance Company Trust, and authorizes use of a  
10 professional distribution firm or firms to be selected by the Insurance Commissioner to accomplish  
11 the distribution. In the event that a distribution percentage results in fractional shares being due to  
12 any claimant, then the Insurance Commissioner may distribute cash in lieu of shares as to the  
13 fractional portion of such shares, including distributions of very small amounts of fractional value.  
14 The Court finds that such a distribution will comply with the Insurance Commissioner's duty to  
15 distribute shares ratably in conjunction with the rehabilitation plan previously approved by this  
16 Court.

17 h. Upon the distribution of the remaining assets and shares, as set forth above, this Court authorizes  
18 the closing of the Mission Insurance Company and Mission National Insurance Company case,  
19 subject to this Court's continuing jurisdiction should further unanticipated collections be received  
20 after the date of closing, or funds remain in the trust, which will necessitate a further distribution.  
21 This Court retains jurisdiction in the event that the case should be re-opened for further distributions,  
22 but otherwise the case shall be administered as closed.

23 i. The Insurance Commissioner is hereby authorized to take such steps as are necessary and  
24 appropriate to close the proceedings;

25 j. The Insurance Commissioner is authorized to file a declaration within one hundred eighty days  
26 setting forth the accomplishment of the distribution. The Insurance Commissioner, his Special  
27 Deputies, the Conservation and Liquidation Office, its employees, the California Department of  
28 Insurance, and its personnel, and the Insurance Commissioner's agents and attorneys, shall be, upon

1 such filing, DISCHARGED from any and all claims, debts, liabilities, or duties to further account for  
2 the assets or liabilities of Mission Insurance Company Trust and the Mission National Insurance  
3 Company Trust through the date of the declaration, and shall have no liability of any kind or nature  
4 for such claims or debts.

5 k. The Court hereby ENJOINS PERMANENTLY all creditors, policyholders, equityholders,  
6 officers, directors and all other persons or entities of any type or nature from bringing, asserting  
7 maintaining or pursuing any claim, suit, demand, offset, proceeding, arbitration, administrative  
8 proceeding or other legal process of any kind or nature against Mission Insurance Company,  
9 Mission Insurance Trust, the Insurance Commissioner as Trustee of the Mission Insurance Company  
10 Trust, any Special Deputy Insurance Commissioners, employees of the Conservation and Liquidation  
11 Office, agents and attorneys, and personnel of the California Department of Insurance, as to any  
12 claim arising from or related to Mission Insurance Company, Mission National Insurance Company,  
13 Mission, Mission National Insurance Company Trust, and Mission Insurance Company Trust. The  
14 Court further reaffirms and makes permanent each injunction the Court has entered in this  
15 proceeding. The Court further ORDERS that the distribution of assets in accordance with this and  
16 prior orders of the Court shall constitute the sole entitlement of any claimant against Mission  
17 Insurance Company and Mission Insurance Company Trust as well as against Mission National  
18 Insurance Company Trust and Mission Insurance Company, to receive any assets in partial  
19 satisfaction of their claims;

20 l. The Court hereby authorizes the Trustee to maintain the records of Mission Insurance Company  
21 Trust for three years, after which such records, may be destroyed in the Trustee's discretion. The  
22 Trustee may earlier destroy the computer tapes which the Trustee deems to be outmoded.

23 m. In the event that further assets are collected by the Insurance Commissioner, the Insurance  
24 Commissioner may petition this Court for permission to re-open the case for further distributions.  
25 In addition, in the event that a guaranty association or ancillary receivership fails to return excess  
26 early access distributions to the Mission Insurance Company Trust, the Insurance Commissioner as  
27 Trustee of the Mission Insurance Company Trust or Mission National Insurance Company Trust may  
28 withhold such unreturned excess sums from future distributions of those trusts to the involved

1 guaranty association for the state involved, until such time as the excess sums are returned and the  
2 correct accounting reconciled.

3 n. The Court orders that the Mission Insurance Company Trust, the Mission National Insurance  
4 Company Trust and the Enterprise Insurance Company Trust shall remain in existence through  
5 December 31, 2010, to complete the tasks remaining in their wind-up, subject to earlier termination  
6 should the tasks be completed prior to that time,, an order which provides that MICT, MNICT and  
7 EICT shall stay in existence.

8 o. The Insurance Commissioner as Trustee shall continue to have the right to collect all sums due to  
9 the Mission Insurance Company Trust, and Mission National Insurance Company Trust, including  
10 the right to sue to recover any such sums due. This right includes, but is not limited to, the right to  
11 collect statutory deposits, early access refunds, and reinsurance recoverables.

12 p. The Court retains jurisdiction to consider the potential entry of an order evaluating Latent  
13 Deficiency Claims for the purposes of distribution of shares of Covanta Holding Corporation  
14 pursuant to the Rehabilitation, Rorganization and Restructuring Agreement previously entered by  
15 this Court.

16 q. distributions of assets pursuant to this order shall be made to holders of approved approved proofs  
17 of claims. The Court recognizes that the Insurance Commissioner prepared a listing of claimants,  
18 attached to the Declaration of John Battle, to provide information about claimants. This listing shall  
19 not be the definitive listing, however, and the distributions shall be made to those whose claims have  
20 been approved according to their actual approved and unpaid entitlement.

21 r. The Insurance Commissioner as Trustee shall have the right to hold any assets collected, pending  
22 further distribution.

23 s. In the event that any claimant fails to claim any sum or property due to that claimant, the Insurance  
24 Commissioner is authorized to follow the California statutory unclaimed property laws, and to  
25 deliver such assets in accordance and as provided in such laws. If a state guaranty association or an  
26 ancillary receiver fails to return assets to the Insurance Commissioner on behalf of the Mission  
27 Insurance Company Trust, then the Insurance Commissioner may withhold distributions to that state  
28 guaranty association or make other appropriate adjustments to distributions to claimants in that state.

1 Further, if a distribution is owed by one Mission trust to a guaranty association, but that association  
2 or the ancillary receiver in that state has not returned early access funds due to another trust, then the  
3 Insurance Commissioner may direct the distribution to the Mission Trust to which the funds are due,  
4 to be applied to the obligation in question.

5 t. The Insurance Commissioner is authorized, in his discretion, to permit the Mission Insurance  
6 Company Trust and Mission National Insurance Company Trust to remain open for such reasons,  
7 including tax reasons, that he deems appropriate. Subject to reserving for a closing budget, and any  
8 sums he deems necessary for tax or other sufficient reasons, the Insurance Commissioner shall  
9 distribute the remaining sums in the trust to the approved policyholder class claimants, and then to  
10 general creditors, other than those sums necessary for the closing budget and reserves.

11 u. This Court shall maintain continuing jurisdiction over Mission Insurance Company Trust and  
12 Mission National Insurance Company Trust, but this order is intended to and does end active court  
13 administration of this trust, to be effective upon the filing of the declaration regarding distribution as  
14 set forth herein. This Court retains continuing jurisdiction to enforce the injunctions issued herein,  
15 and to hear and determine any issue which may arise upon a motion to re-open the case. This Court  
16 shall retain jurisdiction over this case, and the matters addressed herein, after February 24, 2006. The  
17 Insurance Commissioner may, after closing, request re-opening of this matter. This case is otherwise  
18 to be closed, effective when the distribution declaration is filed, unless the Court shall subsequently  
19 order a later date to apply. This Court's jurisdiction over this case shall not be terminated, however,  
20 and this Court shall retain the primary jurisdiction over this case.

21  
22  
23 So Ordered.

24  
25 Signed this 24<sup>th</sup> day of January, 2006

26  
27 **JOHN SHEPARD WILEY JR.**

28 \_\_\_\_\_  
Judge of the Superior Court



**PROOF OF SERVICE: By U.S. Mail**  
**(Code Civ. Proc., §§ 1013, 2015.5)**

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STATE OF TEXAS, COUNTY OF DALLAS.

I am employed in the County of Dallas, State of Texas. I am over the age of 18 and not a party to the within action; my business address is 625 West Centerville Road, Suite 110, Street, Garland, Texas 75041.

On this date, I serve the foregoing documents described **NOTICE OF ENTRY OF ORDER WHICH AUTHORIZES DISTRIBUTION AND CLOSURE OF MISSION INSURANCE COMPANY TRUST AND MISSION NATIONAL INSURANCE COMPANY TRUST** by placing a copy thereof enclosed in sealed envelopes addressed as follows:

Sent via U.S. Mail to:

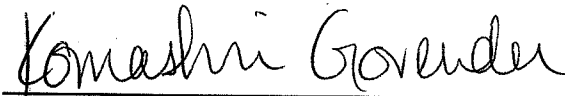
See Attached Exhibit "A"

I am readily familiar with my employer's practices of collection and processing correspondence for mailing with the U.S. Postal Service and the above-referenced correspondence will be deposited with the U.S. Postal Service on the same date as stated below, following ordinary course of business.

(State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

(Federal) I declare that I am employed by the office of a member of the bar of this court at whose direction the service was made.

Executed on January 27, 2006 at Garland, Texas

  
Komashri Govender

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