

1 KAMALA D. HARRIS
Attorney General of California
2 DIANE S. SHAW
Supervising Deputy Attorney General
3 LISA W. CHAO, SB# 198536
Deputy Attorney General
4 300 South Spring Street, Room 1702
Los Angeles, California 90071
5 Telephone: (213) 897-2481; Facsimile: (213) 897-5775
E-mail: Lisa.Chao@doj.ca.gov
6

LEWIS BRISBOIS BISGAARD & SMITH LLP
7 MICHAEL R. WEISS, SB# 180946
E-Mail: Michael.Weiss@lewisbrisbois.com
8 633 West 5th Street, Suite 4000
Los Angeles, California 90071
9 Telephone: 213.250.1800; Facsimile: 213.250.7900

10 Attorneys for Applicant
INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA
11

12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
13 **FOR THE COUNTY OF LOS ANGELES**

14 INSURANCE COMMISSIONER OF THE
STATE OF CALIFORNIA,

15 Applicant,

16 v.

17 GOLDEN STATE MUTUAL LIFE
18 INSURANCE COMPANY, a California
corporation,

19 Respondent.
20

Case No. BS123005

The Hon. Joanne O'Donnell,
Dept. 86

**NOTICE OF FOURTH APPLICATION
AND APPLICATION FOR ORDER
AUTHORIZING LIQUIDATOR TO SELL
REAL PROPERTY LOCATED AT 8237-
8247 SOUTH STATE STREET, CITY OF
CHICAGO, ILLINOIS**

[Filed concurrently with Memorandum,
Proposed Order and Proof of Service]

Date: August 28, 2015
Time: 9:30 a.m.
Dept: 86

25 ///

26 ///

27 ///

28 ///

4827-7042-3334.1

NOTICE OF FOURTH APPLICATION AND APPLICATION FOR ORDER AUTHORIZING LIQUIDATOR
TO SELL REAL PROPERTY

1 **TO: (1) THE LOS ANGELES SUPERIOR COURT;**
2 **(2) ALL PERSONS AND ENTITIES KNOWN TO THE LIQUIDATOR TO**
3 **HAVE A SUBSTANTIAL UNSATISFIED CLAIM THAT MAY BE AFFECTED**
4 **BY THE REQUESTED COURT ORDERS; AND**
5 **(3) ALL INTERESTED PARTIES,**

6 **PLEASE TAKE NOTICE** that on August 28, 2015, at 9:30 a.m., or as soon thereafter as
7 the parties may be heard, in Department 86 of the Los Angeles Superior Court for the State of
8 California, County of Los Angeles, located at 111 N. Hill Street, Los Angeles, California 90012
9 ("Court"), Applicant Insurance Commissioner of the State of California in his capacity as
10 Liquidator ("Liquidator") of Golden State Mutual Life Insurance Company ("Golden State"), will
11 and hereby does apply to the Court and submit this application for the following Court orders:

12 1. A Court Order authorizing the Liquidator to sell the real property, owned by
13 Golden State, located at 8237-8247 South State Street in Chicago, Illinois 60619 [APN: 20-34-
14 118-013, 014, 015, 016] (the "Property"), to M.Y. Management Inc. ("MYM"), pursuant to the
15 terms of the Back Up Contract To Real Estate Purchase Agreement Subject To Liquidation Court
16 Confirmation ("Back Up Contract") between the Liquidator and MYM; and

17 2. A Court Order authorizing the Liquidator to take any and all actions necessary to
18 accomplish the purposes of the above requested Order.

19 **Grounds for the Application**

20 This application is made pursuant to Insurance Code § 1037 and the Order Appointing
21 Liquidator for Golden State on the grounds that the sale of the Property to MYM is within the
22 Liquidator's discretion, is geared towards maximizing Golden State's liquidation estate value and
23 is in the best interests of Golden State's creditors.

24 The Back Up Contract was entered into as a precaution to sell the Property because the
25 currently Court approved purchaser of the Property, Goshen Seventh-Day Adventists ("Goshen"),
26 failed to close the purchase of the Property by May 6, 2015, per the terms of the Purchase
27 Agreement with Goshen, and then was given an extension to July 31, 2015, to close the purchase
28 of the Property. In the event Goshen does not close the purchase of the Property by July 31, 2015,

1 then the Purchase Agreement with Goshen will be expired by its own terms and by this
2 Application the Liquidator will seek Court approval of the sale of the Property to back-up
3 purchaser MYM.

4 Court approval of the sale of the Property to MYM should be granted for the following
5 reasons:

6 1. The two prior purchasers, Clementina Solola and Learn Together Grow Together,
7 approved by the Court on November 30, 2011 and June 18, 2014, respectively, both terminated
8 their purchases of the Property due to unanticipated defective conditions at the Property.

9 2. If this Application proceeds to hearing, then it means that Goshen has failed to
10 close the purchase of the Property by the extension deadline of July 31, 2015, and the Purchase
11 Agreement with Goshen has expired by its own terms.

12 3. The sale price of \$130,000 as stated in the Back Up Contract is the reasonable fair
13 market value for the Property in its current "as is" damaged and vandalized condition. Although
14 Goshen was approved to purchase the Property for \$150,000, by this Application proceeding to
15 hearing it means that Goshen did not pay the \$150,000 purchase price.

16 4. Golden State has previously received \$73,355.53 in insurance proceeds from the
17 Property's insurer as compensation for the vandalism damages.

18 5. The sale price of \$130,000 plus the \$73,355.53 in insurance proceeds totals
19 \$203,355.53, which the Liquidator believes is the fair market value for the Property, in its pre-
20 restoration condition, voiding the costs of re-construction, continuing maintenance and other
21 holding expenses for the Property.

22 6. MYM is a third party purchaser not related to the Liquidator or to any person
23 involved in Golden State's liquidation.

24 7. The Property was used for Golden State's district office in the City of Chicago, has
25 been vacant since October 2010 and has been listed for sale for over four years since October 15,
26 2010.

27 8. The sale of the Property stops the further expenditure of Golden State's limited
28 assets on property maintenance expenses including maintenance, insurance, property taxes and

1 other costs associated with ownership and maintenance of the Property.

2 9. The sale is consistent with the Liquidator's duty to marshal and monetize Golden
3 State's remaining assets for distribution to creditors, and is consistent with the Liquidator's
4 authority and discretion under the Court's Order Appointing Liquidator, the Insurance Code and
5 case law.

6 Accordingly, Court approval for the sale of the Property to MYM is appropriate.

7 This application is based on this Notice, the Memorandum of Points and Authorities and
8 the declarations of Scott Pearce, Peter C. Kane and Michael R. Weiss, and evidence filed
9 concurrently with this Notice, the pleadings, documents and papers on file in this action, all
10 documents and other evidence submitted in this action, and on such oral and/or documentary
11 evidence and/or arguments which may be presented at the hearing on this application.

12 **Copies of Liquidator's Application and Supporting Evidence and Documents**

13 Copies of the Liquidator's Notice, Memorandum with evidence and Proposed Order
14 supporting this application can be reviewed and downloaded at the Insurance Commissioner's
15 Conservation & Liquidation Office's website at www.caclo.org/GoldenStateMutual.

16 **Response or Opposition to Application**

17 Any response or opposition to this application shall be filed with the Court and served by
18 mail or e-mail to Liquidator's attorney Michael R. Weiss, with supporting evidence, on or before
19 August 17, 2015. The Liquidator shall file any replies, with supporting evidence, on or before
20 August 21, 2015. The address for Golden State's attorney Michael R. Weiss for service is:

21 Michael R. Weiss
22 Lewis Brisbois Bisgaard & Smith LLP
23 633 West 5th Street, Suite 4000
24 Los Angeles, California 90071
Telephone: 213.250.1800
Facsimile: 213.250.7900
E-Mail: Michael.Weiss@lewisbrisbois.com

25 No action is required on your part if you do not oppose this Application.

26 //

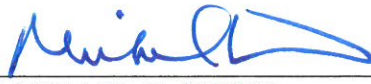
27 //

28 //

1 DATE: July 22, 2015

KAMALA D. HARRIS
Attorney General of California
DIANE S. SHAW
Supervising Deputy Attorney General
LISA W. CHAO
Deputy Attorney General

5 LEWIS BRISBOIS BISGAARD & SMITH LLP

6
7 By: 
8 MICHAEL R. WEISS
9 Attorneys for Applicant
Insurance Commissioner Of The
State Of California