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FILED

APR 19 1991

BARY L. GRANVILLE, County Clerk

By _____ DEPUTY

6 Attorneys for Applicant
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 9 FOR THE COUNTY OF ORANGE

11 INSURANCE COMMISSIONER OF THE)
 STATE OF CALIFORNIA,)
 12)
 Applicant,)
 13)
 u.)
 14)
 15 WESTERN EMPLOYERS INSURANCE COMPANY,)
 a California corporation,)
 16)
 Respondent.)
 17)

NO. 653863

ORDER APPOINTING
LIQUIDATOR AND
RESTRAINING ORDERS

Date: April 19, 1991
Time: 1:30 p.m.
Dept: 20

18 The verified Application for Order of Liquidation of
 19 Respondent Western Employers Insurance Company came on regularly
 20 for hearing on April 19, 1991, in Department 20 of the above
 21 entitled court, the Honorable William F. McDonald, Judge
 22 presiding. Applicant appeared by his counsel, Daniel E. Lungren,
 23 Attorney General of the State of California, by Edmond B. Mamer,
 24 Deputy Attorney General. Respondent appeared by Adams, Duque &
 25 Hazeltine by Katherine Hunt Ruddy who filed a notice of
 26 nonopposition to Application for Order Appointing Liquidator.
 27 After considering the Application, the court finds as follows:
 28 a. On April 2, 1991, the court herein appointed the

1 Applicant as Conservator of Western Employers Insurance Company.

2 b. Western Employers Insurance Company is insolvent and
3 efforts to rehabilitate Western Employers Insurance Company have
4 been futile.

5 WHEREFORE, IT IS HEREBY ORDERED THAT:

6 1. The Insurance Commissioner of the State of California
7 is appointed in his official capacity as Liquidator of Respondent,
8 Western Employers Insurance Company, and directed to liquidate and
9 wind up the affairs of Respondent and to act in all ways and
10 exercise all powers necessary for the purpose of carrying out such
11 order;

12 2. Title to all assets of Respondent now in the
13 possession of the Insurance Commissioner as Conservator hereof, as
14 well as title to any assets of said Respondent discovered hereafter
15 is hereby vested in said Liquidator;

16 3. Said Liquidator, as such, is hereby authorized to pay
17 as expenses of administration, all expenses heretofore incurred by
18 the Conservator of Respondent and presently unpaid and is hereby
19 authorized to pay the full amount of any checks or drafts which
20 have been issued by the Conservator of Respondent and which are
21 presently outstanding and unpaid when said checks or drafts are
22 presented for payment;

23 4. The rights and liabilities of creditors,
24 policyholders, shareholders, and all other persons interested in
25 the assets of Respondent, including the State of California, are
26 fixed as of the date of this order;

27 5. Respondent, its officers, directors, agents and
28 employees and all other persons are hereby enjoined and restrained

1 from transacting any of the business of Respondent or the
2 disposition of any of its assets and property;

3 6. All persons are hereby enjoined and restrained from
4 interference with the possession, title and rights of Applicant, as
5 Liquidator, in and to the assets of Respondent and from
6 interference with the conduct of the Liquidator in winding up of
7 the business of Respondent;

8 7. All persons are hereby enjoined from the waste of
9 assets of Respondent;

10 8. All persons are hereby enjoined from instituting or
11 prosecuting any action or proceedings against Respondent, or
12 Applicant as Liquidator of Respondent, without the consent of this
13 court obtained after reasonable notice to said Liquidator;

14 9. All persons are hereby enjoined from obtaining
15 preferences, judgments, attachments or other liens, or making any
16 levy against Respondent or its assets;

17 10. All officers, directors, agents and employees of
18 Respondent are hereby ordered to deliver to said Liquidator all
19 assets, books, records, equipment and other property of said
20 Respondent;

21 11. All funds and bank accounts in the name of
22 Respondent, or Applicant as Conservator, are hereby vested in said
23 Liquidator and said funds shall be subject to withdrawal from said
24 banks upon the order of said Liquidator only;

25 12. All insurance agents and brokers are hereby ordered
26 to account to the Liquidator of Respondent for all funds of
27 Respondent held by them in their fiduciary capacity, as specified
28

1 in Sections 1733, 1734 and 1735 of the Insurance Code, or due to
 2 Respondent, and directed to forward said funds to Applicant as
 3 Liquidator, and said funds are vested in Applicant as Liquidator;
 4 and

5 13. Said Liquidator is hereby authorized to initiate such
 6 equitable or legal actions or proceedings in this or other states
 7 as may appear to him necessary to carry out his function as
 8 Liquidator.

9 DATED: April *19*, 1991.

12 WILLIAM F. McDONALD

13 Judge of the Superior Court

16 THIS INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL
 ON FILE IN THIS OFFICE

17 ATTEST:

4-19-91

GARY L. GRANVILLE

18 County Clerk and Clerk of the
 Superior Court of the State of California
 in and for the County of Orange

19 BY

[Handwritten Signature]

DEPUTY

