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 15 Insurance Commissioner of the State of California

16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
 17 **FOR THE COUNTY OF LOS ANGELES**

19 INSURANCE COMMISSIONER OF THE
 STATE OF CALIFORNIA,

20 Applicant,

21 v.

22 GOLDEN STATE MUTUAL LIFE
 23 INSURANCE COMPANY, a California
 corporation,

24 Respondent.

Case No. BS123005
 Assigned to Hon. Ann I. Jones, Dept. 86

**[APPLICATION NO. 3 – HISTORICAL
 MATERIALS]**

**NOTICE OF APPLICATION AND
 APPLICATION FOR ORDERS
 AUTHORIZING LIQUIDATOR TO
 ENTER ARCHIVAL MATERIALS
 AGREEMENT AND TRANSFER
 MATERIALS TO UCLA LIBRARY**

[Filed concurrently with Memorandum,
 Evidence and Proposed Order]

Date: March 28, 2011
 Time: 9:30 a.m.
 Dept: 86

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

7 **PLEASE TAKE NOTICE** that on March 28, 2011, at 9:30 a.m., or as soon thereafter as
8 the parties may be heard, in Department 86 of the Los Angeles Superior Court for the State of
9 California, County of Los Angeles, located at 111 N. Hill Street, Los Angeles, California 90012
10 (“Court”), Applicant Insurance Commissioner of the State of California, in his capacity as
11 Liquidator (“Liquidator”) of Golden State Mutual Life Insurance Company (“Golden State”), will
12 and hereby does apply to the Court and submit this application for the following Court Orders:

13 1. An Order authorizing the Liquidator to enter into the Archival Materials
14 Agreement (“Agreement”) with University of California, Los Angeles (UCLA) Library and to
15 transfer to the UCLA Library all of Golden State’s right, title and interest in certain historical
16 materials owned by Golden State and identified in the Agreement (“GSM Archival Collection”);
17 and

18 2. An Order authorizing the Liquidator to take any and all actions necessary to
19 accomplish the purposes of the Orders requested above.

20 The GSM Archival Collection is identified and described in Exhibit A to the Agreement,
21 and consists of approximately 123 boxes of documents, photographs, albums, tapes, recordings
22 and memorabilia relating to Golden State and its founders, officers, employees, history, policies,
23 corporate records, advertising materials, annual reports and statements, and many other materials
24 of interest to the public. The Agreement and Exhibit A thereto are attached as Exhibit 1 to the
25 Evidence submitted with this Application and can be reviewed and downloaded at the Insurance
26 Commissioner’s Conservation & Liquidation Office’s website at
27 www.caclo.org/GoldenStateMutual/RFPsSaleApplications. You also can call the Conservation &
28

1 Liquidation Office's toll-free telephone number 1-877-595-2379, ext. 5016, for assistance and to
2 request that a copy of the application and supporting documents be mailed to you.

3 **Grounds for Application**

4 In furtherance of his statutory duties, the Liquidator (when he was Golden State's
5 Conservator) commenced a Request for Proposals ("RFP") process dated June 25, 2010, in which
6 persons and entities interested in purchasing Golden State's art collection, removable murals
7 and/or historical materials were required to submit proposals to the Conservator for the purchase
8 of said items. As stated in the RFP, all proposals and prospective bidders were subject to strict
9 financial and disclosure requirements to ensure the successful completion of any sales, and were
10 evaluated based upon several factors including without limitation, (1) financial aspects of the
11 proposal, including purchase price and terms of payment; (2) size, financial strength and
12 professional reputation of bidder; (3) amount of the collection bidder is willing to purchase; and
13 (4) intended use and disposition of the items purchased.

14 The UCLA Library and four others submitted proposals concerning Golden State's
15 historical materials. The UCLA Library's proposal stated that it would become the caretaker in
16 perpetuity of the historical materials, review and archive the materials, develop a plan for the
17 preservation and public accessibility of the materials, and add the materials to its existing archives
18 of historical materials concerning Golden State. In 1986 Golden State made a substantial
19 donation of historical materials to UCLA which the UCLA Library has cataloged and made
20 available to the public for research purposes. The UCLA Library intends to merge the current
21 GSM Archival collection into its existing archive of Golden State materials.

22 The other four proposals submitted to the Conservator concerning Golden State's
23 historical materials included (1) a proposal with a purchase price of \$1 for the "bust of William
24 Nickerson Jr. and all the historical materials and artifacts", (2) a similar proposal with a purchase
25 price of \$300 for the William Nickerson Jr. bust and \$900 for certain historical materials, (3) a
26 proposal to purchase the materials for \$2,000 with the stated goal "to merge the Historical
27 Materials with the archives previously donated to the UCLA Library", and (4) a proposal to
28 purchase all of Golden State's art collection, two removable murals and historical materials for an

1 unknown amount stated as “TBD” (meaning “to be determined”), and without the required 25%
2 deposit.

3 The Liquidator will appear and seek the Orders requested herein authorizing the
4 Liquidator to enter into the Agreement with the UCLA Library and to transfer to the UCLA
5 Library all of Golden State’s right, title and interest in the GSM Archival Collection, on the
6 grounds that the UCLA Library’s proposal best complies with the RFP, and the Agreement and
7 transfer is within the Liquidator’s discretion, is geared toward preserving Golden State’s estate
8 value and is in the best interests of Golden State’s creditors for the following reasons and other
9 reasons discussed in the application and supporting documents:

10 1. None of the proposals submitted provided any significant economic value to
11 Golden State which exceeded the costs the Conservator would have had to incur to manage and
12 transfer the collection to a buyer;

13 2. The terms of the Agreement and transfer of the GSM Archival Collection to the
14 UCLA Library are consistent with the historic value and importance of the GSM Archival
15 Collection and ensures the long-term preservation and public access to the collection. In the
16 Agreement, the UCLA Library has agreed to “make the GSM Archival Collection available to
17 researchers and to the broader community, preserving and providing the broadest possible access
18 to and use of the archival materials for the benefit of present and future generations,” has agreed
19 to “cooperate with community groups to ensure that the legacy of Golden State Mutual Life
20 Insurance Company is preserved,” and has agreed to “explore opportunities for grant funding to
21 digitize and describe the collections to enhance access and discovery of the records”;

22 3. The UCLA Library is a leading academic library, part of the University of
23 California, and has an enormous research collection with appropriate facilities and resources to
24 complete the Agreement and ensure the long-term preservation and public access to the
25 collection;

26 4. In 1986 Golden State made a substantial donation of historical materials to UCLA
27 which the UCLA Library has cataloged and made available to the public for research purposes.
28

1 Acceptance of the UCLA Library’s proposal will permit the current GSM Archival Collection to
2 merge into the existing archive of Golden State materials at the UCLA Library;

3 5. The UCLA Library’s proposal benefits Golden State’s estate and creditors because
4 (1) the UCLA Library has previously, at its cost, reviewed and indexed the GSM Archival
5 Collection, and (2) the UCLA Library has agreed to bear the cost and responsibility of
6 transferring, preserving and providing public access to the collection, thereby eliminating the
7 potential of such expenses to Golden State’s estate. Although the other proposals offered small
8 amounts of money for the materials, the UCLA Library provided more value to Golden State in
9 connection with the materials. The UCLA Library provided a team of trained and experienced
10 cataloging professionals, who listed, reviewed, boxed, and readied the 123 box collection for
11 transfer at an estimated cost to UCLA of at least \$20,000, and has agreed to bear the expenses of
12 transporting to and maintaining the materials at the UCLA Library. The cost savings to Golden
13 State outweighs the small amounts offered; and

14 6. The other four proposals submitted to the Conservator through the RFP process are
15 not superior to the UCLA Library proposal. The proposals with a \$1 and \$900 purchase price for
16 the William Nickerson Jr. bust and historical materials do not provide sufficient information on
17 how the bidders would transfer, preserve or maintain the collection, or provide public access to
18 the collection, and does not provide sufficient payment to Golden State to reimburse the
19 anticipated expenses if he were to review, index and transfer the collection to the bidder (where
20 here the UCLA Library is paying these costs). The proposal to purchase the collection for \$2,000
21 with the stated goal “to merge the Historical Materials with the archives previously donated to the
22 UCLA Library” also does not provide sufficient information on how the bidder would transfer,
23 preserve or maintain the collection, or provide public access to the collection, and does not
24 provide sufficient payment to Golden State to review, index and transfer the collection to the
25 bidder for eventual transfer to the UCLA Library would exceed the \$2,000 payment (where again
26 the UCLA Library is paying these costs). Finally, the proposal for the purchase of Golden State’s
27 art collection, two removable murals and historical materials for an unknown amount stated as
28 “TBD”, without specifying a purchase price and without the 25% deposit, does not comply with

1 the RFP and does not provide any assurance that the purchase price would be paid, the collection
2 would be transferred and the transaction would be completed.

3 This application is based on this Notice, the Memorandum of Points and Authorities, the
4 Evidence and the declarations of David E. Wilson, Gary E. Strong and Michael R. Weiss filed
5 concurrently with this Notice, the pleadings, documents and evidence submitted with the
6 Liquidator's Application For Liquidator To Sell Two Murals To Smithsonian National Museum
7 Of African American History And Culture, the pleadings and papers on file in this action, all
8 documents and other evidence submitted in this action, and on such oral and/or documentary
9 evidence and/or arguments which may be presented at the hearing on this application.

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

11 Copies of the Liquidator's Notice, Memorandum, Evidence and Proposed Order
12 supporting this application, as well as all pleadings, documents and evidence submitted with the
13 Liquidator's Application For Liquidator To Sell Two Murals To Smithsonian National Museum
14 Of African American History And Culture, can be reviewed and downloaded at the Insurance
15 Commissioner's Conservation & Liquidation Office's website at
16 www.caclo.org/GoldenStateMutual/RFPsSaleApplications. You also can call the Conservation &
17 Liquidation Office's toll-free telephone number 1-877-595-2379, ext. 5016, for assistance and to
18 request that a copy of the application and supporting documents be mailed to you.

19 **Response or Opposition to Application**

20 Any response or opposition to this application shall be filed with the Court and served by
21 mail or e-mail to Golden State's attorney Michael R. Weiss, with supporting evidence, on or
22 before March 15, 2011. The Liquidator shall file any replies, with supporting evidence, on or
23 before March 21, 2011. The address for Golden State's attorney Michael R. Weiss for service is:

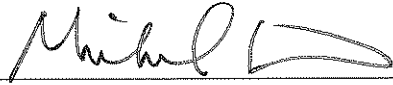
24 Michael R. Weiss
25 Epstein Turner Weiss
26 A Professional Corporation
27 633 W. Fifth Street, Suite 3330
28 Los Angeles, California 90071
Telephone: (213) 861-7487
Facsimile: (213) 861-7488
Email: mrw@epsteinturnerweiss.com.

1 No action is required on your part if you do not oppose the Liquidator's application to
2 enter into the Archival Materials Agreement with UCLA and transfer to UCLA all of Golden
3 State's right, title and interest in certain historical materials owned by Golden State and identified
4 in the Agreement as GSM Archival Collection.

5
6 DATE: February 22, 2011

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FELIX LEATHERWOOD
W. DEAN FREEMAN
Supervising Deputy Attorneys General
MARTA L. SMITH
Deputy Attorney General

EPSTEIN TURNER WEISS
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11
12
13 By: 
14 MICHAEL R. WEISS
15 Attorneys for Applicant
16 INSURANCE COMMISSIONER OF THE
17 STATE OF CALIFORNIA