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 of California as the Liquidator*

Fee Exempt – Gov't Code, § 6103

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
 COUNTY OF LOS ANGELES
 SPRING STREET COURTHOUSE**

INSURANCE COMMISSIONER OF
 THE STATE OF CALIFORNIA,

Petitioner,

v.

SEECCHANGE HEALTH INSURANCE
 COMPANY,

Respondent.

Case No. BS152302

Assigned to Hon. Maren Nelson, Dept. SCC 17

[REVISED PROPOSED] ORDER:

- (1) APPROVING LIQUIDATOR'S FINAL
REPORT AND ACCOUNTING,**
- (2) DIRECTING FINAL DISTRIBUTION OF
ESTATE ASSETS,**
- (3) APPROVING ADMINISTRATIVE
EXPENSES, AND**
- (4) DISCHARGING LIQUIDATOR AND
TERMINATING LIQUIDATION
PROCEEDING**

Hearing
 Date: August 30, 2018
 Time: 9:00 a.m.
 Place: Dept. SCC 17
 312 North Spring Street
 Los Angeles, CA 90012

Action Filed: November 18, 2014

RECEIVED
 LOS ANGELES SUPERIOR COURT

AUG 15 2018

I. LOVO

1 On July 16, 2018, Dave Jones, Insurance Commissioner of the State of California (the
2 “**Commissioner**”), in his capacity as Liquidator (the “**Liquidator**”) of SeeChange Health
3 Insurance Company (“**SeeChange**”), filed and served his *Notice of Application and Application*
4 *for Order: (1) Approving Liquidator’s Final Report and Accounting, (2) Directing Final*
5 *Distribution of Estate Assets, (3) Approving Administrative Expenses, and (4) Discharging*
6 *Liquidator and Terminating Liquidation Proceedings* (the “**Application**”). The Application was
7 set for hearing on August 30, 2018. The Court has reviewed the Application and the documents
8 filed in connection with the Application. The Court finds that notice of the Application was
9 appropriate and that there is a sufficient legal and factual basis for the relief granted herein.

10 Good cause appearing therefor, IT IS ORDERED:

- 11 1. The Application is GRANTED as set forth below.
- 12 2. The Liquidator’s Final Report and Accounting is SETTLED AND APPROVED as
13 presented.
- 14 3. The Liquidator is AUTHORIZED AND DIRECTED to distribute approximately
15 \$3,727,921.69 to approved claimants as set forth in Exhibit A. The Liquidator is authorized to
16 adjust the distribution for investment income and changes in the market value of investments that
17 have been posted as of the date the investments are withdrawn from the investment pool. The
18 distributions shall be made within 21 days of the entry of this order.
- 19 4. As to disbursements that are either undeliverable or as to which issued checks have
20 not then been negotiated, the Liquidator is authorized to void such checks as have not been
21 negotiated within the six-month waiting period of Code of Civil Procedure section 1517. All
22 undeliverable amounts and amounts of non-negotiated checks shall escheat to the Insurance Fund
23 pursuant to section 12937.
- 24 5. The Liquidator’s payment of fees and other costs from October 1, 2017 through
25 March 31, 2018, as described in the Liquidator’s Final Report and Accounting is approved and
26 ratified. The Commissioner is AUTHORIZED to retain a reserve of \$250,000 for payment of
27 administrative expenses incurred by the Commissioner after March 31, 2018 for administrative
28 and closing costs. A report to the Court of the expenditure of these funds shall not be required.

1 To the extent administrative expenses after April 1, 2018 are greater than \$250,000, the
2 Commissioner is authorized to pay any excess closing and administrative costs out of the funds
3 appropriated for the maintenance of the Department of Insurance. To the extent administrative
4 expenses after April 1, 2018 are less than \$250,000, the Commissioner is authorized and directed
5 to pay the remaining reserve pro rata to approved Class 2 claimants as set forth in Exhibit A;
6 provided that the Commissioner is excused from making a distribution of less than \$10 (ten
7 dollars).

8 6. In the event that this or any order issued during the course of this receivership is
9 appealed, the Commissioner is authorized to defend such appeal if necessary, in the
10 Commissioner's discretion and pay the costs of defending the appeal from the reserve established
11 under paragraph 5 of this order.

12 7. The Commissioner shall maintain in the Conservation & Liquidation Office
13 imaged databases of all records of SeeChange for a period of 12 months from the date of the
14 Court's order. Thereafter, the Commissioner is authorized to destroy all records of SeeChange
15 (including related to this case), except for those records necessary for examination by the
16 Department of Finance or the auditor of the Commissioner's books and records pursuant to
17 Insurance Code section 1061.

18 8. This case and the estate of SeeChange shall be CLOSED and the Commissioner
19 upon the filing of a declaration that the Commissioner has distributed the assets of SeeChange in
20 accordance with this Order. Upon such filing the Commissioner, his Special Deputies, the
21 Conservation and Liquidation Office, its employees, the California Department of Insurance, and
22 its personnel, and the Commissioner's agents and attorneys are hereby be DISCHARGED from
23 any and all claims, debts, liabilities, or duties to further account for the assets or liabilities of
24 SeeChange, and shall have no liability of any kind or nature for such claims or debts or respond to
25 any discovery requests, absent further order of this Court.

26 9. The Commissioner is authorized to take any action necessary to accomplish the
27 purposes of this Order. This Court retains jurisdiction over any matters or claims that may arise
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1 concerning the conservation of SeeChange, the liquidation of SeeChange, or the orders issued in
2 this proceeding.

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4 DATED: _____

5 JUDGE OF THE SUPERIOR COURT
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DECLARATION OF SERVICE BY U.S. MAIL

Case Name: **Insurance Commissioner of the State of California v. SeeChange Health Insurance Company**
Case No.: **BS152302**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On August 15, 2018, I served the foregoing

[REVISED PROPOSED] ORDER: (1) APPROVING LIQUIDATOR'S FINAL REPORT AND ACCOUNTING, (2) DIRECTING FINAL DISTRIBUTION OF ESTATE ASSETS, (3) APPROVING ADMINISTRATIVE EXPENSES, AND (4) DISCHARGING LIQUIDATOR AND TERMINATING LIQUIDATION PROCEEDING

by placing a true copy thereof enclosed in a sealed envelope as first class mail, in the internal mail system of the Office of the Attorney General, to each of the persons and entities set forth on the attached list.

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on August 15, 2018, at Los Angeles, California.

Carolina Castillo
Declarant


Signature

SERVICE LIST BY U.S. MAIL

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Washington, D.C. 20005

Claimants¹

STEPHENS REIDINGER & BELLER LLP
Bay Area Builders
CARLSON BECK LLC
JOHN MORAN
INSPIRED PRODUCTS GROUP LLC DBA:
KIDSEMBRACE
MARCY LUNELL
SOUTH VALLEY MEDICINE AND
CARDIOLOGY
SANDEE DESIGN
PROTEA GROUP INTERNATIONAL INC
MAUREEN VERDUYN
ANNE & JOHN ALDERETE
OUTPOST RECREATION & EDUCATION INC
ANTHONY J DUTRA
ABI OFFICE FURNITURE INC
ASHLEY E NORMAN
FUSION FLORAL LLC

Counsel to SeeChange Health Insurance Co.

Michael Rosenfield, Esq.
Sidley Austin LLP
555 West Fifth Street
Los Angeles, CA 90014

Counsel to National Organization of Life &
Health Guaranty Associations

Frank O'Loughlin
Cindy C. Oliver
Lewis Roca Rothgerber LLP
1200 Seventeenth St., Suite 3000
Denver, Colorado 80202

Claimants¹

St. Mary's Medical Center
MT WHITNEY DAIRY
ROYAL ROBBINS LLC
DEVERO INC DBA HOME HEALTHCARE
ONE LLP
DELTA TESTING SERVICES INC
DECORATIVE PLUMBING
DISTRIBUTORS
POONGSAN CORP CA BRANCH
THE CORE GROUP/MEADE
CONSTRUCTION
GOREN MARCUS MASINO & MARSH
CPAS LLP
GRACE BAPTIST CHURCH SANTA
BARBARA
PROCESSING POINT INC
POLLAK VIDA & BARER
HSIU-YU LU
ROCKY MOUNTAIN VICTIM LAW
CENTER
DIANA TRAN
BEAUTY SOLUTIONS LLC
RACHEL S WALENSKY
AF TECHNOLOGY LLC
KELSEY HILTON

¹ Addresses of claimants served with this proof of service are withheld to protect their privacy. A full address list will be submitted to the court on request.