

JUN 29 2010

John A. Clark, Executive Officer/Clerk  
By A.E. LaFleur-Clayton, Deputy

1 ROBERT H. NUNNALLY, JR.  
2 State Bar Number 134151  
3 Wisener ★ Nunnally ★ Gold, L.L.P.  
4 625 West Centerville Road, Suite 110  
5 Garland, Texas 75041  
6 972) 840-9080  
7 Fax (972) 840-6575

8 Attorneys for Insurance Commissioner

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

12 STEVE POIZNER, Insurance Commissioner  
13 of the State of California,

14 Applicant,

15 vs.

16 MISSION INSURANCE COMPANY, a  
17 California corporation,

18 Respondent.

Case No. C 572 724

Honorable John Shepard Wiley Jr.

NOTICE OF MOTION AND MOTION TO  
APPROVE DISTRIBUTION TO GENERAL  
CREDITORS OF MISSION INSURANCE  
COMPANY TRUST; DECLARATION OF  
EDWARD HAHN; MEMORANDUM OF  
POINTS AND AUTHORITIES

August 13, 2010 at 8:30 a.m.

19 Consolidated with Case Numbers

20 C 576 324; C 576 416;  
21 C 576 323; C 576 325; C 629709

Department: 50  
Court: Stanley Mosk Courthouse  
111 North Hill St., Floor 5 Room 508  
Los Angeles, CA 90012

Filed: October 31, 1985

22  
23 Please take notice that on the 13th day of Augut, 2010, at the hour of 8:30 a.m., or as  
24 soon thereafter as the matter may be heard, Steve Poizner, Insurance Commissioner of the State  
25 of California, in his capacity as Trustee of the Mission Insurance Company Trust, the Mission  
26 National Insurance Company Trust and the Enterprise Insurance Company Trust ("Insurance  
27 Commissioner"), will appear in Department 50 of the Los Angeles Superior Court, Stanley Mosk  
28

1 Courthouse, 111 North Hill St., Los Angeles, CA 90012, and present a motion to approve  
2 distribution to the general creditors of Mission Insurance Company Trust.

3 Prior distribution motions approved by this Court have permitted distributions of the  
4 principal sums due to all policyholders of Mission Insurance Company Trust, and a partial  
5 payment of principal to general creditors of Mission Insurance Company Trust.

6 The proposed distribution will be to increase the dividend percentage such that each  
7 general creditor shall receive 50.0% of that general creditor's claims. The amount of money to  
8 be distributed to achieve this goal is: \$58,129,639.

9 Further, the motion will propose to deal with the claims of general creditor claimants  
10 whose claims are approved in an amount not greater than \$100. The motion will seek to make a  
11 further and final distribution to those general creditors in order to bring them up to a dividend of  
12 100 percent of their approved claims. The additional amount of money needed to achieve this  
13 distribution would be: \$13,724. These small claims total 299 claims. The cost of administering  
14 mailings of notices and small distribution checks exceeds the modest additional payment these  
15 creditors would receive. Thus, the motion proposes to pay these small claims of under one  
16 hundred dollars in full.

17 The motion also seeks to make a payment in final satisfaction of all claims between \$100  
18 and \$10,000. Edward Hahn's Declaration demonstrates that a payout to bring the distribution  
19 percentage to these creditors to 75% to these creditors in full satisfaction of their claims is  
20 reasonable. The basis for this request is that general creditors have already received 36.5% of  
21 their distributions on the principal amount of their approved claims. It is uncertain exactly what  
22 distribution would ultimately be available for general creditors. Seventy five percent is selected  
23 as a reasonable estimate, which may be higher than the actual distribution or may be lower. As  
24 to creditors with approved claims between \$100 and \$10,000, the cost to mail them the notice of  
25 the motions to distribute, to create their individual payments and to administrate their portion of  
26 the distribution is a material cost to the Trust. The motion proposes to fix a final distribution  
27 balance at 75% for these general creditors, to remove these general creditors from the  
28 distribution system.

1 The number of general creditors with a claim between \$100 and \$10,000 is 232. A  
2 seventy five percent distribution to those creditors would result in payments of \$180,103, while  
3 if they merely shared in the 50% distribution, they would only receive \$63,153 now, and the  
4 remainder of their distributions in the long run, which may be less than or greater than the  
5 estimated 75%. Although the payment now of a final distribution runs the risk of a small  
6 preference or underpayment if the assets prove to support a different ultimate percentage of  
7 distribution than the estimate, the distribution now will prevent the expenditure of an amount of  
8 administrative funds which may exceed the possible marginal differences.

9 The motion will also seek to establish the following:

- 10 A. In the case of notifications of assignments, a valid assignment form with a notarized  
11 signature of the claimant must be received by the Conservation & Liquidation Office by 5:00  
12 p.m. Pacific Time on September 1, 2010; and
- 13 B. Assignments should be submitted with the assignment form attached to the Hahn  
14 Declaration as Exhibit "A."

15 In support of the motion, the Insurance Commissioner through the Hahn Declaration  
16 states that in the case of small claims (under \$10,000) the administrative expenses involved  
17 justify making a final distribution to each of these claimants, to avoid spending more than the  
18 sums involved in such distributions on continued administration.

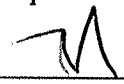
19 Wherefore, premises considered, the Court is requested to grant this motion and order  
20 that:

- 21 A. Distribution be made to approved general creditors to bring them up to a dividend of  
22 50%;
- 23 B. Distribution be made to creditors with an approved proof of claim of \$100 or less to bring  
24 their distribution up to 100% as a final distribution;
- 25 C. A further and final distribution shall be made to general creditors with an approved claim  
26 between \$100 and \$10,000 to bring them to a final distribution percentage of 75%;
- 27 D. The total current distribution figure shall be \$58,260,312;
- 28 E. The record date for any notice of assignments shall be set for September 1, 2010;

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

- F. Assignees shall be submitted with the form attached to the Hahn Declaration; and
- G. All other just and equitable relief.

Respectfully submitted,



---

ROBERT H. NUNNALLY, JR.  
State Bar Number 134151  
Wisener ★ Nunnally ★ Gold, L.L.P  
625 West Centerville Road, Suite 110  
Garland, Texas 75041  
T: (972) 485-5065  
F: (972) 840-6575

Attorneys for Insurance Commissioner

1 Memorandum of Points and Authorities

2 Mission Insurance Company Trust previously paid to policyholder priority creditors one  
3 hundred cents on the dollar of the principal amount of their claims, and previously made a partial  
4 distribution to general creditors.

5 The Insurance Commissioner seeks to make a further distribution to general creditors of  
6 Mission Insurance Company Trust. The proposed distribution is:

- 7 a. to increase the distribution to approved general creditors to 50.0%;
- 8 b. as to approved general creditor claims of \$100 or less, to increase the approved  
9 distribution percentage to 100% as a final distribution; and
- 10 c. as to approved general creditors with claims between \$100 and \$10,000, to increase the  
11 approved distribution percentage to 75% as a final distribution.

12 Some risks exist in approval of the motion. It is possible that the 75% to small creditors  
13 will prove high, which will result in a modest risk of a preference in favor of or to the prejudice  
14 of the small creditors. It is possible it could prove low. See Hahn Declaration, paragraph 2-4.  
15 This risk, however, is outweighed by the administrative savings to the Trust of the proposed  
16 distribution. The right of a claimant in a liquidation is to receive the liquidation value of his or  
17 her claim. *Carpenter v. Pacific Mut. Life Ins. Co.*, 10 Cal. 2d 307, 335 74 P.2d 761, (1937),  
18 affirmed 305 U.S. 675, 59 S. Ct. 355, 83 L. Ed. 437, 1939 (1939).

19 California Insurance Code Section 1033 provides for the priority of general creditors.  
20 The Insurance Commissioner's proposal provides for the administrative advantage of removing  
21 numerous claimants from the mailing list, using a projection of the likely recovery of these  
22 claimants to address the de minimus percentage interest in the estate. Use of projected values  
23 has precedent in insurance receiverships. *Daniel v. Layton*, 75 F.2d 135 (7<sup>th</sup> Cir. 1937). This  
24 case was cited with approval in *Garris v. Carpenter*, 33 Cal. App. 2d 649, 92 P.2d 688, 1939  
25 Cal. App. LEXIS 287 (Cal. App. 1939), in which the court held that the Insurance Commissioner  
26 as receiver could secure reinsurance to protect claimants, even over the objection of certain of  
27 the creditors. The Insurance Commissioner can act on behalf of the entire group of creditors,  
28 even if an individual creditor might argue for a different treatment. *In re Executive Life Ins. Co.*,

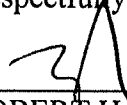
1 32 Cal. App. 4th 344, 376, 38 Cal. Rptr. 2d 453, 1995 Cal. App. LEXIS 129, 95 Cal. Daily Op.  
2 Service 1166, 95 D.A.R. 2051 (Cal. App. 2d Dist. 1995).

3 The Court is respectfully requested to approve this distribution plan as to these creditors.

4 Conclusion:

5 The Court is requested to approve this further distribution to creditors of Mission  
6 Insurance Company Trust.

7 Respectfully submitted,

8 

9 \_\_\_\_\_  
10 ROBERT H. NUNNALLY, JR.  
11 State Bar Number 134151  
12 Wisener ★ Nunnally ★ Gold, L.L.P.  
13 625 West Centerville Road, Suite 110  
14 Garland, Texas 75041  
15 T: (972) 485-5065  
16 F: (972) 840-6575

17 Attorneys for Insurance Commissioner  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Declaration of Edward Hahn**

I, Edward Hahn, hereby make the following declaration in San Francisco, California under penalty of perjury:

1. I am Edward Hahn. I am over the age of eighteen years. I am competent to be a witness. I have personal knowledge of the facts to which I attest. I acquired my personal knowledge in my role as with the Conservation and Liquidation Office which assists the California Insurance Commissioner. I am one of the persons who prepare the regular accounting statements for the Conservation and Liquidation Office ("CLO") as to Mission Insurance Company Trust. I have a Master's in Business Administration from the University of California at Berkeley and over ten years' experience in dealing with accounting matters for insurance companies in liquidation.

2. The distribution proposed by this motion is as follows:

Approved General Creditors up to \$100:

Number of Claimants: 299

Total approved claims: \$27,446

Proposed Distribution Percentage: 100%

Prior payments: \$10,019

Proposed final distribution payments: \$17,428

Approved general creditors between \$100 and \$10,000:

Number of claimants: 232

Total approved claims: \$467,801

Proposed distribution percentage for a full and final distribution: 75%

Prior payments: \$170,748

Proposed final distribution payments: \$180,103

Interim distribution to creditors with claims above \$10,000:

Number of claimants: 236

Total approved claims: \$430,094,679

Proposed interim distribution percentage: 50%

1 Prior payments: \$156,984,558

2 Proposed interim distribution payments: \$58,062,781

3 3. The distribution for claimants under 100 dollars is proposed as a full and final  
4 payment to bring their principal distribution to one hundred cents on the dollar. The costs to  
5 administer these small sums, from postage to address verification to check issuance, and other  
6 administrative costs, justify paying these small creditors off.

7 4. The proposal is that claimants between \$100 and \$10,000 in approved claims be  
8 paid 75% of their claims. I have reached this figure through an estimation process. As of  
9 3/31/2010, Mission has \$65.5 million in assets available for distribution. To be conservative,  
10 though, Mission proposes a distribution of \$58.3 million in 2010. After collection of reinsurance  
11 recoverable and other receivables, I estimate an ultimate distribution percentage of  
12 approximately 75%, though actual results may be lower or higher. The amounts could be lower  
13 if reserves maintained for unexpected contingencies must be used to address those contingencies.  
14 In this event, the payment of 75% rather than an interim payment of 50% runs the risk that each  
15 individual claimant within the \$100 to \$10,000 group receives more than that claimant would  
16 receive if the final distribution were not made. On the other hand, 75% could be lower than the  
17 ultimate result for these claimants, if the collections and investment return exceed expectations.

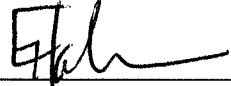
18 5. Nothing in this declaration or this motion should be taken as a promise that 75%  
19 is the likely ultimate distribution to the general creditors of Mission Insurance Company Trust.  
20 There are variables that could alter this result to a different percentage, either higher or lower.  
21 However, I recommend that those claimants with claims between \$100 and \$10,000 be brought  
22 up to 75% as a final payment. This is because the costs of administration of the claims will in all  
23 likelihood exceed whatever the marginal difference in distribution might be, given the relatively  
24 small size of these claims.

25 6. I also recommend that a date of September 1, 2010 be set as the date by which  
26 any assignees must notify the CLO of any written assignments. To ensure that assignments are  
27 bona fide and properly documented, I further recommend that the form developed by the CLO  
28



1 claims unit (with input of counsel) be required as to any future notifications of assignments as to  
2 this or any other distribution.

3 I hereby declare under the penalty of perjury of the laws of the State of California that the  
4 foregoing facts are true and correct on this 24<sup>th</sup> day of June, 2010.



6 \_\_\_\_\_  
Edward Hahn

5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



**CONSERVATION AND LIQUIDATION OFFICE  
CHANGE OF ADDRESS/ASSIGNEE NOTIFICATION DECLARATION**

Company in Liquidation: \_\_\_\_\_

Proof of Claim Number(s): \_\_\_\_\_

**CLAIMANT NAME AND ADDRESS CURRENTLY ON FILE:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Phone: \_\_\_\_\_

**TO BE CHANGED (OR ASSIGNED) TO:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Phone: \_\_\_\_\_

Please include the following supporting documentation with your request for an assignment of your claim or change of address:

If you are an individual:

- Proof of Identity with photograph such a valid driver's license or state issued identification card
- A copy of the assignment agreement (if assigning claim)

If you are a business or corporation:

- A letter on company letterhead confirming your authority to make the assignment
- A copy of the assignment agreement (if assigning claim)

THE FOREGOING FACTS ARE TRUE AND CORRECT. I AM ENTITLED TO MAKE THIS DECLARATION ON BEHALF OF THE CLAIMANT OR ASSIGNOR LISTED IN THIS DECLARATION. NO OTHER PERSON HAS THE RIGHT TO THE PROOF OF CLAIMS LISTED ABOVE.

I DECLARE UNDER PENALTY OF PERJURY, UNDER THE LAWS OF THE STATE OF CALIFORNIA, THAT THE ABOVE INFORMATION IS TRUE AND CORRECT.

EXCUTED THIS

\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_ AT \_\_\_\_\_  
(DAY) (MONTH) (YEAR) (CTIV) (STATE)

\_\_\_\_\_  
Claimant or Assignor's Signature

\_\_\_\_\_  
Print Name and Title (if any)

\_\_\_\_\_  
Telephone Number

**Claimant's Consent (to be used for assignments or transfers only):**

I consent to the assignment or transfer set forth above.

EXCUTED THIS

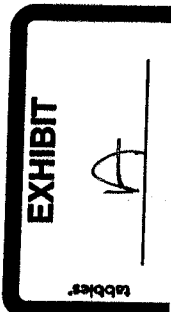
\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_ AT \_\_\_\_\_  
(DAY) (MONTH) (YEAR) (CTIV) (STATE)

\_\_\_\_\_  
Claimant or Assignor's Signature

\_\_\_\_\_  
Print Name and Title (if any)

\_\_\_\_\_  
Telephone Number

**Return the completed form along with supporting documentation to:  
Conservation and Liquidation Office P.O. Box 26894 San Francisco, CA 94126-0894**





LEXSEE 75 F.2D 135

DANIEL et al. v. LAYTON et al.

No. 5253

Circuit Court of Appeals, Seventh Circuit

*75 F.2d 135; 1935 U.S. App. LEXIS 2876*

January 23, 1935

**PRIOR HISTORY:** **[\*\*1]** Appeal from the District Court of the United States for the Northern District of Illinois, Eastern Division; James H. Wilkerson, Judge.

**OPINION BY: EVANS****OPINION**

Before ALSCHULER, EVANS, and SPARKS, Circuit Judges.

**[\*135]** EVANS, Circuit Judge.

In November, 1932, the Illinois Life Insurance Company, hereinafter called the Illinois Life, became financially embarrassed and Abel Davis was appointed receiver of its property. At this date there was outstanding \$140,000,000 of insurance held by 70,000 policyholders. Its reserves had become greatly impaired, and it had insufficient cash on hand to meet operating expenses, policyholders' loans, cash surrender claims, death claims, and other liabilities. Among those to file claims against it was a group whose claims arose out of so-called "post agency renewal commission contracts." Although their claims are disputed by the receiver and have not been passed upon, they assert that approximately \$600,000 is due them.

The receiver found (and so reported) that the affairs of the Illinois Life were such that a reinsurance by a stronger and a better company was both advisable and necessary. After a thorough study of the perplexing problems **[\*\*2]** which the negotiating of a reinsurance contract entails, the receiver submitted to the court a proposed contract of reinsurance with the Central Life Assurance Society of Iowa. In selecting the reinsuring company and in drafting the proposed contract, he was

aided by the insurance commissioner of the State of Illinois **[\*136]** and was advised by three disinterested and distinguished individuals whose experience in insurance matters had been wide and whose knowledge of insurance law was well recognized. This proposed contract was, after full hearing, duly approved by the court.

This appeal is from an order which effectuated this reinsurance contract. Appellants complain because (a) under the plan which was adopted they were not treated as fairly as other creditors, and (b) the valuation of the company's assets and the discharge of appellants' claims upon the basis of such valuation were prejudicial to them.

The master found and the court approved the finding that the fair value of the assets of the company was \$4,239,999.73. The total indebtedness was approximately \$27,240,000, of which \$24,281,462.43 represented the required reserve of the company and \$2,957,233.73 covered **[\*\*3]** all other claims filed with the receiver.

The court ordered the receiver to transfer the assets of the Illinois Life to the Central Life Assurance Society. The transferee gave the necessary assurance that it would furnish the receiver with funds upon the determination of the amount necessary to pay dividends upon claims filed and allowed against the receiver, as well as unpaid receivership expenses. The contract of reinsurance permitted, but did not require, policyholders to accept the terms of the reinsurance contract. Appellants, if their claims are finally allowed, will be paid upon the basis of the value of the assets less receivership expenses. They will receive such proportion thereof as their claims bear to the total indebtedness.

Appellants' first attack upon the order is predicated upon what they claim is a grossly inadequate valuation of the assets of the Illinois Life. They likewise claim that there was no competent evidence before the master upon which a just valuation could be based. Likewise, they argue that the valuation witnesses were not sufficiently familiar with the properties covered by the Illinois Life's mortgages to qualify them to testify.

This [\*\*4] issue is largely one of fact, although the qualification of the witnesses, as well as their fact information, may well involve questions of law. Five witnesses gave testimony of values. They were well qualified in their respective fields to appraise the value of the real estate. Each had had extended experience. They were disinterested. Their testimony was in no way contradicted.

The task of appraising the value of these securities was a most difficult one. Mathematical accuracy was quite impossible. The total number of farm mortgages was approximately 2,000, scattered throughout a half dozen states. They were for the most part in default both as to principal and interest. The percentage in good standing was small compared to the amount under foreclosure. On many tracts there were back taxes due and unpaid.

As illustrative of the conditions generally, the figures concerning Kansas mortgages might be given. There were 87 mortgages in good standing, aggregating \$342,108.34. There were 618 delinquent mortgages, aggregating \$3,190,646.45. 173 mortgages, aggregating \$1,124,815.24, were under foreclosure. The title to 63 tracts of land, aggregating 26,481.62 acres, had [\*\*5] been acquired through foreclosure or other proceedings. The appraised value of the mortgages and land acquired was approximately 30% of their book value.

The witnesses and the special master divided the assets into three classes. One included farm mortgages. Another covered real estate mortgages and home office buildings in Chicago. The third class included investments in bonds, notes, and stocks. The Chicago real estate mortgages and securities were valued at \$1,307,250. The home office building was valued at \$500,000. The Hotel La Salle security was appraised at \$650,000.

We think there is no legitimate basis for criticizing the valuation placed upon the mortgages covering Chicago property. The loans were larger, and a more thorough study was possible. If anyone could fairly complain of their valuation we are inclined to believe it would be the Central Life Assurance Society.

We are, however, dealing with the report of a master which has been confirmed by the District Court. We have no hesitancy, therefore, in accepting the valuation

not only of Cook County mortgages and real estate, but the investments in bonds, notes, stock, and collateral loans as well. The [\*\*6] Chicago real estate and the stock and bonds, etc., were not only bad investments, but they represented loans of Illinois Life's funds to enterprises owned and officered by the officers of Illinois Life. These enterprises were in desperate financial straits, and so in addition to bad judgment there was added gross cupidity on the part of the officers, both of which were reflected in the character [\*137] and value of the loans made and the securities acquired.

As to the value of the farm mortgages, there is greater room for an honest difference of opinion. As to them the witnesses would have been better qualified to speak if they had personally examined each tract of land, interviewed the borrower (if he had not already abandoned the premises), and otherwise acquired first hand information respecting the facts which form the basis of sound judgment on valuation. Differences in opinion as to value these days generally reflect either optimism or discouragement. Optimists look forward hopefully to a rapid rise in farm real estate. To them normalcy is measured by wartime prices. The discouraged pessimist can see no bright hope for the future of the farmer and no rise in the [\*\*7] price of farm lands. In fact, he is confident that prices will decline. The court should be neither bonist nor malist. He cannot base findings of value on hopes only, for, if he does, there will be a harvest of regrets. Nor should he be too seriously dismayed by defaults in interest, back taxes, or even farm abandonments. The farm price pendulum swings widely and at times rapidly.

We are not prepared to say the witnesses were lacking in qualifications. They were men of wide experience in such matters. If their testimony be not stricken, then it follows that the master's report is well supported by opinion evidence.

Appellants further argue that the court did not equally distribute the assets among the creditors. This charge is based upon a false fact assumption, namely, that the policyholder creditors received more than appellants.

We cannot accept appellants' fact assumption. The court determined the value of the property. It was also required to determine the amount of the claims. The aggregate of the policyholders' claims is not challenged. It is stated that under the reinsurance contract the reinsurance company only placed a lien of 70% against the policyholders' [\*\*8] claims. From this fact it is argued that the policyholders are receiving 30% whereas appellants will receive approximately 15% on their claims. Appellants err in assuming that the policyholders are receiving 30%. The policyholders who avail themselves of the reinsurance contract are required to pay premiums

for years to come. The amount which the reinsuring company might legitimately allow because of such future premium payments must be deducted from said 30%.

Moreover, appellants are not concerned with the terms of the reinsuring contract. It does not affect or concern them. They should not be permitted to defeat the well-matured plan of the receiver merely because the reinsurance contract may be a highly desirable one from the policyholders' viewpoint. They are interested merely in the allowance and payment of their claims. If they receive their proportionate share of the assets they cannot be heard to complain of the highly favorable contract of reinsurance which benefits the policyholders.

Nor do we see merit in appellants' contention that they are entitled to have the property sold and the affairs of the company liquidated, even though they frustrate the plan of [\*\*9] reinsurance and defeat the rights of the policyholders whose claims are perhaps fifty times as great as appellants'. The case of *Coriell v. Morris White, Inc.* (C.C.A.) 54 F.(2d) 255, is authority for the course pursued here. Even in the absence of precedent we think such a plan must meet with judicial approval. The contentions of one creditor must be considered in the light of their effect on other creditors. This, we think, is particularly true in insurance company reorganizations or where the insurance of an insolvent insurance company

is reinsured in another company. All that any creditor may legitimately ask is fairness in the distribution of assets. In determining fairness the court may, in cases like the instant one, accept appraisal values instead of resorting to liquidation through sales, etc.

It is finally argued that all the costs of the receivership should have been charged to the policyholders as most of the expenses were incurred in negotiating the reinsurance contract. The evidence does not bear out the latter statement. Appellants' claims are small as compared to those of the policyholders whose claims were undisputed. Both the validity and the amount of appellants' [\*\*10] claims are challenged. The time and expense devoted to them, we believe, will (amount considered) exceed the time and expense devoted to looking after the policyholders' claims.

Other good reasons are suggested for overruling this assignment of error, which need not be considered. Nor need we discuss the additional grounds advanced by appellees [\*138] in favor of the affirmance of the decree of the District Court.

The decree is

Affirmed.

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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, Garland, Texas 75041.

On this date, I served the foregoing documents described as **Notice of Motion and Motion to Approve Distribution to General Creditors of Mission Insurance Company Trust; Declaration of Edward Hahn; Memorandum of Points and Authorities** by placing a copy thereof enclosed in sealed envelopes addressed as follows:

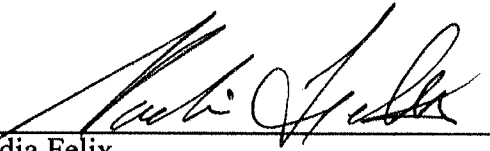
See attached Service List

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 the 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 June 28, 2010 at Garland, Texas.

  
\_\_\_\_\_  
Nadia Felix

New York Liquidation Bureau  
Attn: Mission - Nicholas L. Cremonese  
123 William Street  
New York, New York 10038-3889

John Horner  
Conservation & Liquidation Office  
P.O. Box 26894  
San Francisco, CA 94126

Robb Canning, Vice President  
Guy Carpenter  
One State Street, Suite 1500  
Hartford, CT 06103

John C. Craft, Esq.  
Lathrop & Gage Law Offices  
2345 Grand Blvd. Suite 2800  
Kansas City, MO. 64108-2612

Pamela Webster, Esq.  
Buchalter, Nemer, A Professional Corporation  
1000 Wilshire Blvd., 15<sup>th</sup> Floor  
Los Angeles, CA 90017

Jean L. Bertrand, Esq.  
Morgenstein & Jubelirer  
One Market Plaza, Spear St., 32d Fl  
San Francisco, CA 94105

General Counsel  
GAF Corporation  
1361 Alps Road  
Wayne, NJ 07470

Eric Lipsitt, Esq.  
Howard & Howard Attorneys, PC  
450 West 4<sup>th</sup> Street  
Royal Oak, MI 48067-2557

Scott Pearce  
Conservation & Liquidation Office  
P.O. Box 26894  
San Francisco, CA 94126

Dean Hansell, Esq.  
Dewey & LeBoeuf LLP  
333 South Grand Ave., Ste 2600  
Los Angeles, CA 90071-1530

C. Guerry Collins, Esq.  
Lord, Bissell & Brook  
300 South Grand Avenue, 8<sup>th</sup> Floor  
Los Angeles, CA 90071

Wayne Wilson  
California Insurance Guarantee  
700 N. Brand Blvd. #12TH-FL  
Glendale, CA 91203-1247

Mark Egerman, Esq.  
9401 Wilshire Boulevard #500  
Beverly Hills, CA 90212

Stephan Mills, Esq.  
Zemanek & Mills  
11845 W. Olympic Blvd, Suite 625  
Los Angeles, CA 90064

Jack Hom, Esq.  
California Dept. of Insurance  
45 Fremont Street, 24<sup>th</sup> Floor  
San Francisco, CA 94105

Jennifer A. Brennan  
Gilbert Heintz & Randolph LLP  
1100 New York Ave., NW, Ste 700  
Washington, DC 20005-3987

Richard D. Milone  
Gilbert Heintz & Randolph LLP  
1100 New York Ave, NW Suite 700  
Washington, DC 20005

Michael L. Cioffi  
Blank Rome, LLP  
PNC Center 201 East Fifth St., Ste. 1700  
Cincinnati, OH 45202

Stephen A. Marshall  
Sonnenschein Nath & Rosenthal, L.L.P.  
1221 Avenue of the Americas, 24<sup>th</sup> Floor  
New York, NY 10020-1089

Michael W. Rhodes  
Lathrop & Gage, LC  
2345 Grand Blvd., Ste 2800  
Kansas City, MO 64108-2684

Amy Fink, Esq.  
Howrey, Simon, Arnold & White, L.L.P.  
550 S. Hope St., 14<sup>th</sup> Floor  
Los Angeles, CA 90071

Vernon K. Jones  
29518 Rd. 156  
Visalia, CA 93295

Jordan Stanzler, Esq.  
Stanzler, Funderburk, & Castellon, L.L.P.  
2275 E Bayshore Rd Ste 100  
Palo Alto, CA 94303-3222

Robert M. Mason, III, Esq.  
Bergman & Dacey, Inc.  
10880 Wilshire Blvd., Suite 900  
Los Angeles, CA. 90024

John E.V. Pieski, Esq.  
Suite 400 Kane Building  
116 North Washington Avenue  
Scranton, PA 18501-0234

David DeGroot, Esq.  
Sheppard, Mullin, Richter & Hampton, LLP  
Four Embarcadero Center, 17<sup>th</sup> Floor  
San Francisco, CA. 94111

David P. Schack  
Kirkpatrick & Lockhart, L.L.P.  
10100 Santa Monica Blvd., 7<sup>th</sup> Floor  
Los Angeles, CA. 90067

David G. Stone  
Neal, Gerber & Eisenberg, LLP  
2 N. LaSalle Street, Suite 2200  
Chicago, IL 60602

Claudia M. Morehead, Esq.  
The Morehead Firm  
2901 W. Coast Highway, Ste. 200  
Newport Beach, CA 92663

D. Douglas Shureen  
McMillan & Shureen  
50 Santa Rosa Ave., 5<sup>th</sup> Floor  
Santa Rosa, CA 95404

Darrell J. Hieber, Esq.  
Skadden, Arps, Slate, Meagher & Flom, L.L.P.  
300 S. Grand Ave., Ste. 3400  
Los Angeles, CA 90071

Gregory O. Eisenreich  
Barger & Wolen LLP  
633 W. 5th Street, 47th Floor  
Los Angeles, California 90071

James D. Scrimgeour, Esq.  
St. Paul Travelers Companies, Inc.  
One Tower Square  
Hartford, CT 06101

Kim Winter  
Lathrop & Gage L.C.  
2345 Grand Blvd., Ste. 2800  
Kansas City, MO 64108-2684

Burton C. Allyn, IV, Esq.  
Johns & Allyn  
1010 B. Street, Ste 350  
San Rafael, CA 94901

Jeffrey M. Vucinich, Esq.  
Clapp Moroney Bellagamba & Vucinich  
1111 Bayhill Dr., Ste 300  
San Bruno, CA 94111

Peter F. McAweeney  
Morgan, Lewis & Bockius LLP  
One Market, Spear Street Tower  
San Francisco, CA 94105-1126

Edward D. Chapin, Esq.  
Chapin Wheeler, LLP  
550 West C Street, Ste 2000  
San Diego, CA 92101

Brian P. Brosnahan, Esq.  
Kasowitz, Benson, Torres & Friedman LLP  
101 California Street, Suite 2300  
San Francisco, CA 94111