1 EDMUND G. BROWN JR. Attorney General SUPERIOR COURT OF CALIFORNIA COUNTY OF ORANGE CIVIL COMPLEX LITIGATION CENTER 2 W. DEAN FREEMAN Supervising Deputy Attorney General 3 FELIX E. LEATHERWOOD MAY 30 2008 Supervising Deputy Attorney General 4 LIŜA W. CHAO, State Bar No. 198536 ALAN SLATER, Clerk of the Court Deputy Attorney General 5 300 South Spring Street, Room 1702 Los Angeles, California 90013 Telephone: (213) 897-2481 6 Fax: (213) 897-5775 7 Attorneys for Applicant Insurance Commissioner 8 of the State of California, in his capacity as Liquidator of Western International Insurance Company 9 SUPERIOR COURT OF THE STATE OF CALIFORNIA 10 COUNTY OF ORANGE – COMPLEX CIVIL CENTER 11 12 INSURANCE COMMISSIONER OF THE CASE NO. 694012 13 STATE OF CALIFORNIA, Assigned for All Purposes to 14 Applicant, the Honorable Thierry P. Colaw Department CX 104 15 TPC ٧. [PROPOSED] ORDER: 16 WESTERN INTERNATIONAL INSURANCE COMPANY, a California (1) SETTLING AND APPROVING THE 17 **FÍNAL REPORT AND ACCOUNT OF** corporation, THE CONSERVATOR AND 1&5 0°S Respondent. LIQUIDATOR OF WESTERN SUPERIOR COURT OF CALIFORNIA COUNTY OF ORANGE CIVIL COMPLEX CENTER INTERNATIONAL INSURANCE 1⊈ **COMPANY:** ELECTRONICALLY RECEIVED 5 18 2008 2**(** (2) AUTHORIZING DISBURSEMENT OF FUNDS; AN'SLATER, (3) APPROVING PAYMENT OF **EXPENSES**; AND 2₹ (4) TERMINATING LIQUIDATION PROCEEDING AND DISCHARGING 24 **INSURANCE COMMISSIONER AS** LIQUIDATOR 25 26 Date: May 30, 2008 10:00 a.m. Time: 27 CX 104 Dept: Judge: Hon. Thierry P. Colaw 28

[PROPOSED] ORDER APPROVING FINAL REPORT AND ACCOUNT

The Insurance Commissioner's Application for Orders: (1) Settling and Approving Final Report and Account of Conservator and Liquidator from August 10, 1992 to December 31, 2007; (2) Authorizing Disbursement of Funds; (3) Approving Payment of Expenses; and (4) Terminating Proceeding and Discharging Liquidator came on for hearing on May 30, 2008, in Department CX104 of the above entitled court, the Honorable Thierry P. Colaw, presiding.

The Court, after reviewing the Application, the Memorandum of Points and Authorities, the exhibits and declarations submitted in support thereof, and argument having been heard and good cause appearing,

IT IS HEREBY ORDERED that:

- 1. The Report and Account of Conservator and Liquidator for the period from August 10, 1992, through December 31, 2007, is settled and approved;
- 2. The Commissioner is authorized to distribute approximately \$10,395,990 to approved Class 5 claimants subject to adjustment for investment income and changes in market value of investments that have been posted as of the date the investments are withdrawn from the investment pool. The distributions shall be made within two weeks of receipt of the signed order from the Court;
- 3. The Commissioner is authorized to retain the sum of \$144,688 for payment of administrative expenses incurred by the Commissioner from and after December 31, 2007 for administrative and closing costs. The Commissioner is authorized to pay any excess closing and administrative costs out of the funds appropriated for the maintenance of the Department of Insurance. A report to the Court of the expenditure of these funds shall not be required;
- 4. In accordance with the six month waiting period of Code of Civil Procedure section 1517, the Commissioner, as to disbursements which are either undeliverable or as to which issued checks have not then been negotiated, is authorized to void such checks as have not then been negotiated and escheat all undeliverable amounts and amounts of non-negotiated checks to the Insurance Fund pursuant to Insurance Code section 12937;
- 5. The Commissioner is authorized to maintain all records of Western International Insurance Company for three years from the date of this order and thereafter the Commissioner is

authorized to destroy all records of Respondent, except for those records necessary for examination by the Department of Finance or other auditor of the Commissioner's books and records pursuant to Insurance Code section 1061;

- 6. The Commissioner is authorized to take any action necessary to accomplish the purpose of this Order; and
- 7. The estate of Western International Insurance Company is closed and the Commissioner shall be discharged as liquidator upon the filing of a declaration that the Commissioner has distributed the assets in accordance with this Court's order and upon the filing of a dismissal of the action.

Dated: 30 May 2008

Judge of the Superior Court

DECLARATION OF SERVICE BY U.S. MAIL

Case Name:

Insurance Commissioner of the State of California v.

Western International Insurance Company

No.:

0694012

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 that same day in the ordinary course of business.

On <u>April 18, 2008</u>, I served the attached [PROPOSED] ORDER: (1) SETTLING AND APPROVING THE FINAL REPORT AND ACCOUNT OF THE CONSERVATOR AND LIQUIDATOR OF WESTERN INTERNATIONAL INSURANCE COMPANY; (2) AUTHORIZING DISBURSEMENT OF FUNDS; (3) APPROVING PAYMENT OF EXPENSES; AND (4) TERMINATING LIQUIDATION PROCEEDING AND DISCHARGING INSURANCE COMMISSIONER AS LIQUIDATOR by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the internal mail collection system at the Office of the Attorney General at 300 South Spring Street, Suite 1702, Los Angeles, CA 90013, addressed as follows:

SEE ATTACHED SERVICE LIST

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on <u>April 18, 2008</u>, at Los Angeles, California.

Evelyn Mendoza

Declarant

Signature

60294115.wpd

SERVICE LIST

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA v. WESTERN INTERNATIONAL INSURANCE CO. Orange County Superior Court Case No. 694012

Frank Towner, Esq.

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Prudential Reinsurance Company*
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- Served directly in addition to intermediary
- ** Represented by counsel
- *** Served as directed in Service of Suit clause

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