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12 Attorneys for Applicant Dave Jones,  
13 Insurance Commissioner of the State of California  
14 in his Capacity as Conservator of Majestic Insurance  
Company

15  
16 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
17 CITY AND COUNTY OF SAN FRANCISCO  
18

19 INSURANCE COMMISSIONER OF THE  
STATE OF CALIFORNIA,

20 Applicant,

21 v.

22 MAJESTIC INSURANCE COMPANY, and  
23 DOES 1-50, inclusive,

24 Respondents,

Case No. CPF-11-511261

**[PROPOSED] ORDER APPROVING  
CONSERVATION TRUST  
AGREEMENT AND PURCHASE AND  
SALE AGREEMENT**

**Date: February 25, 2013**  
**Time: 9:30 a.m.**  
**Dept: 302**  
**Judge: Hon. Marla A. Miller**

1                   The Court, having duly considered the Motion of California Insurance  
2 Commissioner Dave Jones (“Conservator”), as the statutory Conservator of Majestic Insurance  
3 Company (“Majestic”) for an Order approving (1) the Conservation Trust Agreement between the  
4 Commissioner in his capacity as Conservator and the Commissioner in his capacity as Trustee,  
5 and (2) the Purchase and Sale Agreement entered into by the Commissioner in his capacity as  
6 Conservator and California General Insurance Services, LLC (“CGIS”), pursuant to CAL. INS.  
7 CODE §§ 1011 and 1037 and this Court’s April 21, 2011 Order Appointing Conservator and  
8 Restraining Orders, and

9                   Good cause appearing therefor,

10                  IT IS ORDERED:

11                  1.       That the Conservation Trust Agreement providing for the creation of an  
12 Conservation Trust with the Conservator as Trustee is hereby approved and ratified. The  
13 Conservator is hereby authorized to enter into the Conservation Trust Agreement and to take all  
14 actions and to enter into such further agreements as may be necessary or appropriate to  
15 consummate the transactions contemplated by the Conservation Trust Agreement.

16                  2.       That the Purchase and Sale Agreement between the Conservator and CGIS  
17 providing for the purchase by CGIS of (1) Majestic’s corporate shell, (2) charter documents  
18 including Majestic’s Articles of Incorporation and Bylaws, (3) Majestic’s certificates of authority,  
19 (4) the Pledged Surplus, and (5) the Shares of Majestic (jointly referred to herein as the  
20 “Corporate Assets”) is hereby approved and ratified. The Conservator is hereby authorized to  
21 enter into the Purchase and Sale Agreement and to take all actions and enter into such further  
22 agreements as may be necessary or appropriate to consummate the transactions contemplated by  
23 the Purchase and Sale Agreement, including but not limited to, the cancellation of Majestic’s  
24 issued and outstanding stock, the issuance of a new stock certificate or certificates to CGIS  
25 representing 40,000 shares of common stock, \$75 par value, and the provision of a trust  
26 certificate to the Embarcadero Liquidating Trust, as successor-in-interest to Embarcadero  
27 Insurance Holdings, Inc. (“Embarcadero”), which will replace its existing stock in Majestic.  
28

1                   3.       Pursuant to California Insurance Code section 1017(b) and the Purchase  
2 and Sale Agreement, the Corporate Assets shall be sold to CGIS, free and clear of all known and  
3 unknown liens, security interests, claims, debts, demands, or liabilities, including without  
4 limitation, contingent liabilities of Majestic, and any and all claims, demands, actions, or causes  
5 of actions asserted by any policyholder, contractholder, creditor, claimant or stockholders of  
6 Majestic, or any other person, entity or representative arising out of or related to the Purchase and  
7 Sale Agreement or the acquisition of the Corporate Assets by CGIS.

8                   4.       All persons, entities or representatives are hereby permanently enjoined  
9 from asserting against the Corporate Assets, or Purchaser, any claim, demand, action or cause of  
10 action arising from the acts or omissions of Majestic or any of the pre-conservation shareholders  
11 of Majestic.

12                  5.       The April 21, 2011 Order Appointing Conservator And Restraining Orders  
13 and all injunctions and restraining orders therein shall continue to apply to the conservation estate  
14 of Majestic and shall apply with equal force to the Conservation Trust upon the closing of the  
15 Purchase and Sale Agreement and Conservation Trust Agreement. All injunctions and restraining  
16 orders against creditors of Majestic with pre-closing shall continue to be enforced, and such pre-  
17 closing creditors shall continue to be enjoined from bringing suit against the Conservation Trust  
18 post-closing.

19                  6.       That the Purchaser or the Conservator may file a copy of this Order with  
20 the California Secretary of State's Office, and the Secretary of State's Office shall accept such  
21 filing and shall make it a part of Majestic's official corporate records.

22  
23 Dated: \_\_\_\_\_, 2013.

24 \_\_\_\_\_  
25 The Honorable Marla A. Miller  
26 Judge of the Superior Court

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