

1 KAMALA D. HARRIS
Attorney General of California
2 FELIX E. LEATHERWOOD
3 W. DEAN FREEMAN
Supervising Deputy Attorneys General
4 LISA W. CHAO, State Bar No. 198536
Deputy Attorney General
5 300 South Spring Street, Room 1702
6 Los Angeles, California 90013
Telephone: (213) 897-2481
7 Facsimile: (213) 897-5775
8 E-mail: Lisa.Chao@doj.ca.gov

9 MICHAEL R. WEISS, State Bar No. 180946
EPSTEIN TURNER WEISS
10 A Professional Corporation
633 W. Fifth Street, Suite 3330
11 Los Angeles, California 90071
12 Telephone: (213) 861-7487
Facsimile: (213) 861-7488
13 Email: mrw@epsteinturnerweiss.com

14 Attorneys for Applicant
15 Insurance Commissioner of the State of California

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

18
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.
25

Case No. BS123005
Assigned to Hon. Joanne O'Donnell, Dept. 86

**NOTICE OF SECOND APPLICATION TO
APPROVE CONSERVATION AND
LIQUIDATION EXPENSES**

[Filed concurrently with Memorandum,
Declarations, and Proof of Service]

Date: December 6, 2013
Time: 1:30 p.m.
Dept: 86

1 **TO: (1) THE LOS ANGELES SUPERIOR COURT;**
2 **(2) ALL PERSONS AND ENTITIES KNOWN TO THE COMMISSIONER TO**
3 **HAVE A SUBSTANTIAL UNSATISFIED CLAIM THAT MAY BE AFFECTED**
4 **BY THE REQUESTED COURT ORDERS; AND**
5 **(3) ALL INTERESTED PARTIES.**

6 **PLEASE TAKE NOTICE** that on December 6, 2013, at 1:30 p.m., or as soon thereafter
7 as the parties may be heard, in Department 86 of the Los Angeles Superior Court for the State of
8 California, County of Los Angeles, located at 111 N. Hill Street, Los Angeles, California 90012
9 ("Court"), Applicant Insurance Commissioner of the State of California ("Commissioner"), in his
10 capacity as Liquidator and former capacity as Conservator of Golden State Mutual Life Insurance
11 Company ("Golden State"), will and hereby does submit its Second Application for:

12 1. A Court Order approving the Commissioner's expenses for seven consultants and
13 vendors for the twenty-seven month period from September 30, 2009 through December 31,
14 2011; and

15 2. A Court Order authorizing the Commissioner to take any and all actions necessary
16 to accomplish the purposes of the above requested Order.

17 **Grounds for the Application**

18 By Orders dated September 13 and October 26, 2012, the Honorable Robert H. O'Brien
19 granted in part and denied in part the Application To Approve Conservation and Liquidation
20 Expenses ("First Application") filed by the Commissioner. Specifically, the First Application
21 was granted in part as to the fees and expenses for eight of the fifteen consultants/vendors
22 requested in the Application, and denied as to the fees and expenses for seven of the fifteen
23 consultants/vendors requested in the Application based upon documentation deficiencies that the
24 Court concluded could undermine a proper initial determination of the propriety of the fees.

25 By this Application and pursuant to the Court's Orders, the Commissioner hereby states
26 that he has cured the documentation deficiencies stated by the Court in its September 13, 2012
27 Order and, based on the information and documents submitted herein, seeks an order approving
28 the fees and expenses for the seven consultants/vendors as follows:

1	1.	Todd Donovan:	\$ 234,816.00
2	2.	INS Consultants:	\$ 290,277.01
3	3.	Manhattan Group:	\$ 496,086.28
4	4.	Larson & Rosenberger:	\$ 209,805.01
5	5.	Bryan, Pendleton:	\$ 53,136.00
6	6.	Lewis & Ellis:	\$ 16,499.15
7	7.	Aloria Character:	<u>\$ 31,473.44</u>
8			\$1,332,092.89

9 The delay between the October 26, 2012 Order and the filing of this Revised Application
10 is due to the Commissioner's now dismissed appeal of Judge O'Brien's September 13 and
11 October 26, 2012 Orders. On November 9, 2012, due to Judge O'Brien's non-approval of the
12 fees and expenses of the seven consultants/vendors, the Commissioner filed a Notice of Appeal to
13 preserve appellate rights. After further research and review of the Court's September 13 and
14 October 26 Orders, the Commissioner has concluded that the Orders are non-final, non-
15 appealable interim receivership orders for which additional documentation and information can be
16 submitted to support the fees and expenses incurred. Accordingly, on August 29, 2013, the
17 Commissioner dismissed the appeal.

18 This application is made pursuant to *In re Executive Life Insurance Company* (1995) 32
19 Cal.App.4th 344, Insurance Code § 1037 and the Orders of conservation and liquidation for
20 Golden State, on the grounds that the above-described fees and expenses were necessary for the
21 conservation and liquidation of Golden State, are within the Commissioner's broad discretion and
22 authorities under the Court's Order of Liquidation, the Insurance Code and case law, are
23 reasonable for the services performed, and were incurred in maximizing Golden State's
24 liquidation estate value. Court approval of the expenses and fees is appropriate.

25 This application is based on this Notice, the Memorandum of Points and Authorities and
26 the declarations of Scott Pearce, David E. Wilson, Joseph B. Holloway, Jr., Jennifer Murphy and
27 Michael R. Weiss, and evidence filed concurrently with this Notice, the pleadings, documents and
28

1 papers on file in this action, and on such oral and/or documentary evidence and arguments which
2 may be presented at the hearing on this application.

3 **Copies of Commissioner’s Application and Supporting Evidence and Documents**

4 Copies of the Commissioner’s Notice, Memorandum with evidence and Proposed Order
5 supporting this application can be reviewed and downloaded at the Insurance Commissioner’s
6 Conservation & Liquidation Office’s website at www.caclo.org/GoldenStateMutual.

7 **Response or Opposition to Application**

8 Any response or opposition to this application shall be filed with the Court and served by
9 mail or e-mail to Golden State’s attorney Michael R. Weiss, with supporting evidence, on or
10 before November 21, 2013. The Commissioner shall file any replies, with supporting evidence,
11 on or before November 27, 2013. The address for the Commissioner’s attorney for service is:


12 Michael R. Weiss
13 Epstein Turner Weiss
14 A Professional Corporation
15 633 W. Fifth Street, Suite 3330
16 Los Angeles, California 90071
17 Telephone: (213) 861-7487
18 Facsimile: (213) 861-7488
19 Email: mrw@epsteinturnerweiss.com.

20 No action is required on your part if you do not oppose this Application.

21 DATE: October 28, 2013

22 KAMALA D. HARRIS
23 Attorney General of California
24 FELIX E. LEATHERWOOD
25 W. DEAN FREEMAN
26 Supervising Deputy Attorneys General
27 LISA W. CHAO
28 Deputy Attorney General

EPSTEIN TURNER WEISS
A Professional Corporation

By: 
MICHAEL R. WEISS
Attorneys for Applicant
INSURANCE COMMISSIONER OF THE
STATE OF CALIFORNIA