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**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CENTRAL CIVIL WEST COURTHOUSE**

INSURANCE COMMISSIONER OF THE  
STATE OF CALIFORNIA,  
  
Applicant,  
  
v.  
  
SEECHANGE HEALTH INSURANCE  
COMPANY,  
  
Respondent.

Case No. BS152302  
Assigned to Hon. Amy D. Hogue

~~PROPOSED~~ LIQUIDATION ORDER

Hearing  
Date: January 28, 2015  
Time 9:30 a.m.  
Place: Central Civil West Courthouse  
Department 307  
600 South Commonwealth Avenue  
Los Angeles, California 90005  
Judge: Hon. Amy D. Hogue

**FILED**  
LOS ANGELES SUPERIOR COURT

RECEIVED  
Central Civil West  
DEC 31 2014  
By: K. Bennett

JAN 28 2015  
SHERIFF'S OFFICE EXECUTIVE OFFICER/CLERK  
BY N. Navarro Deputy  
NANCY NAVARRO

1           On January 28, 2015, in Department 307 of the above-entitled Court, the Court held a  
2 hearing on the *Notice of Application and Application for Liquidation Order and Supplemental*  
3 *Injunctive Relief* (the “**Application**”), filed by the Insurance Commissioner of the State of  
4 California (including his successor in office, the “**Commissioner**”). Appearances are noted in the  
5 record.

6           Having considered the Application, the memorandum and declarations in support of the  
7 Application, and all other documents and evidence submitted, and having heard and considered  
8 the arguments presented to the Court, and upon good cause shown, the Court hereby finds that it  
9 would be futile for the Commissioner to proceed as Conservator of SeeChange and, therefore,  
10 sufficient grounds exist in accordance with Insurance Code section 1016 for entry of this order of  
11 liquidation of SeeChange.

12           **THEREFORE, IT IS HEREBY ORDERED:**

- 13           1.       The Application is GRANTED.
- 14           2.       SeeChange Health Insurance Company (“**SeeChange**”) is hereby found to be  
15 insolvent.
- 16           3.       The Commissioner’s status as Conservator of SeeChange is terminated. The  
17 Insurance Commissioner is appointed Liquidator of SeeChange as set forth in Insurance Code  
18 section 1016, with (1) David E. Wilson to serve as the Special Deputy Insurance Commissioner in  
19 charge of the SeeChange liquidation and (2) Joseph Holloway, Jr., to serve as the on-site manager  
20 for Special Deputy Insurance Commissioner Wilson (hereinafter, the “**Liquidator**”). The  
21 Liquidator is directed to liquidate and wind up the business of SeeChange and to act in all ways  
22 and exercise all powers necessary for the purpose of carrying out this Order and the liquidation  
23 provisions of the Insurance Code, Insurance Code sections 1010 *et seq.*
- 24           4.       Title to all of the assets of SeeChange, wherever situated, shall be vested in the  
25 Liquidator, in his official capacity as such, including without limitation real and personal  
26 property, deposits, certificates of deposit, bank accounts, mutual funds, securities, contracts,  
27 rights of actions, books, records and other assets of any and every type and nature, wherever  
28 situated, presently in SeeChange’s possession and/or those which may be discovered hereafter.

1           5.       All funds and assets (including without limitation deposits, certificates of deposit,  
2 bank accounts, securities, and mutual fund shares of SeeChange) in various financial depository  
3 institutions (including without limitation banks, savings and loan associations, industrial loan  
4 companies, mutual funds and/or stock brokerages) wherever situated, are subject to withdrawal  
5 only upon direction or order by the Liquidator.

6           6.       The Liquidator is authorized to collect all moneys due to SeeChange, and to do  
7 such other acts as are necessary or expedient to collect, protect and liquidate SeeChange's assets,  
8 property and business.

9           7.       The Liquidator is authorized to collect all debts due and claims belonging to  
10 SeeChange and to have the authority to sell, compound, compromise, or assign, for the purpose of  
11 collection upon such terms and conditions as the Liquidator deems best, any bad or doubtful  
12 debts.

13           8.       The Liquidator is authorized to compromise or in any other manner negotiate  
14 settlements of claims against SeeChange upon such terms and conditions as the Liquidator shall  
15 deem to be in the best interests of SeeChange.

16           9.       The Liquidator is authorized, without permission of the Court and without notice,  
17 to acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of  
18 or deal with, any real or personal property of SeeChange at its reasonable market value, or, in  
19 cases other than acquisition, sale, or transfer on the basis of reasonable market value, upon such  
20 terms and conditions as the Liquidator may deem proper; provided, however, that the market  
21 value of the property involved does not exceed the sum of twenty thousand dollars (\$20,000).

22           10.       The Liquidator is authorized, for the purpose of executing and performing any of  
23 the powers and authority conferred upon the Liquidator under Insurance Code sections 1010 *et*  
24 *seq.*, in the name of SeeChange or in the Liquidator's own name, to initiate, prosecute and/or  
25 defend any and all suits and other legal proceedings, legal or equitable, and to execute,  
26 acknowledge and deliver any and all deeds, assignments, releases and other instruments necessary  
27 and proper to effectuate any sale of any real and personal property or other transaction in  
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1 connection with the administration, liquidation or other disposition of the assets of SeeChange, in  
2 this or other states as may appear to him necessary to carry out his functions as Liquidator.

3 11. The Liquidator is authorized to divert, take possession of and secure all mail of  
4 SeeChange and to effect a change in the rights to use any and all post office boxes and other mail  
5 collection facilities used by SeeChange.

6 12. The Liquidator is authorized, without permission of the Court and without notice,  
7 to invest and reinvest, in such manner as the Liquidator may deem suitable for the best interests  
8 of the policyholders and/or creditors of SeeChange, such portions of the funds and assets of  
9 SeeChange in his possession as do not exceed the amount of the reserves required by law to be  
10 maintained by SeeChange as reserves for life insurance policies, annuity contracts, supplementary  
11 agreements incidental to life business, and reserves for non-cancelable disability policies, and  
12 which funds and assets are not immediately distributable to creditors; provided, however, the  
13 investment or reinvestment to be made does not exceed the sum of one hundred thousand dollars  
14 (\$100,000), except that the Liquidator, without permission of the court and without notice, may  
15 make investments or reinvestments in excess of \$100,000, but not exceeding \$5,000,000 per  
16 investment or reinvestment, if such investments or reinvestments are part of SeeChange's existing  
17 investments or are made pursuant to the investment guidelines of the Commissioner's  
18 Conservation & Liquidation Office (including investments and reinvestments through an  
19 investment pool consisting exclusively of assets from conserved and/or liquidating estates).

20 13. The Liquidator is authorized, in his discretion, without permission of the Court and  
21 without notice, to pay or defer payment of some or all claims, expenses, liabilities and/or  
22 obligations of SeeChange, in whole or in part, accruing prior and/or subsequent to his  
23 appointment as Liquidator.

24 14. The Liquidator is authorized to appoint and employ under his hand and official  
25 seal, legal counsel, as his agents, and to employ clerks and/or assistants, and to give to each of  
26 them those powers that the Liquidator deems necessary.

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1 foregoing, until further order of this Court. All persons are enjoined from obstructing or  
2 interfering with the Liquidator's conduct of his or her duties as Liquidator.

3 20. All persons are enjoined from instituting or prosecuting or maintaining any action  
4 at law (including without limitation actions or proceedings to compel discovery or production of  
5 documents or testimony, and matters in arbitration), and from obtaining or attempting to attain  
6 preferences, judgments, foreclosures, attachments or other liens of any kind or nature, against  
7 SeeChange, its assets, or the Liquidator, and from attaching, executing upon, foreclosing upon,  
8 redeeming of, making levy upon, or taking any other legal proceedings against any of the  
9 property and/or assets of SeeChange, except after an order from this Court.

10 21. All persons are enjoined from the sale or deed for nonpayment of taxes or  
11 assessments levied by any taxing agency of property and/or assets of SeeChange.

12 22. Except with leave of Court, all persons are enjoined from accelerating the due date  
13 of any obligation or claimed obligation, exercising any right of set-off, taking, retaining, retaking  
14 or attempting to retake possession of any real or personal property, withholding or diverting any  
15 rent or other obligation, and doing any act or other thing whatsoever to interfere with the  
16 possession of, or management by, the Liquidator of the property and assets, owned, controlled, or  
17 possessed by SeeChange.

18 23. All persons are enjoined from the waste of the assets of SeeChange.

19 24. SeeChange and its officers, directors, agents and employees are ordered to  
20 immediately make available to the Liquidator all assets, books, accounts, records, information,  
21 computers, tapes, discs, writings, other recordings of information, equipment and other property  
22 of SeeChange, wherever situated, in their custody or control. They are directed to disclose to the  
23 Liquidator, on his request, the exact whereabouts of the foregoing items if such items are not in  
24 their possession, custody or control.

25 25. SeeChange and its officers, directors, trustees, employees or agents, and any other  
26 person, firm, association, partnership, corporate parent, holding company, affiliate or other entity  
27 in charge of any aspect of SeeChange's affairs, either in whole or in part (including but not  
28 limited to banks, savings and loan associations, financial or lending institutions, brokers, stock or

1 mutual associations, or any parent, holding company, subsidiary or affiliated corporation or any  
2 other representative acting in concert with SeeChange) are ordered to cooperate with the  
3 Liquidator in the performance of his duties.

4 26. All persons who maintain records for SeeChange, pursuant to written contract or  
5 any other agreement, are ordered to maintain such records and to deliver to the Liquidator such  
6 records upon his request.

7 27. The Court hereby stays any and all provisions of any agreement entered into by  
8 and between any third party and SeeChange, that provide, in any manner, that selection,  
9 appointment or retention of a conservator, receiver or trustee, or entry of an order such as hereby  
10 made, shall be deemed to be, or otherwise operate as, a breach, violation, event of default,  
11 termination, event of dissolution, event of acceleration, insolvency, bankruptcy, or liquidation.  
12 The assertion of any and all rights and remedies relating thereto are also stayed and barred, except  
13 as otherwise ordered by this Court. This Court shall retain jurisdiction over any cause of action  
14 that has arisen or may otherwise arise under any such a provision.

15 **Creditors and Setting of Claims Bar Date**

16 28. The rights and liabilities of claimants, policyholders, shareholders, members and  
17 all other persons interested in the assets of SeeChange are fixed as of the date of entry of this  
18 Order.

19 29. Any and all claims against SeeChange—including without limitation those claims  
20 which in any way affect or seek to affect any of the assets of SeeChange, wherever or however  
21 such assets may be owned or held—must be filed no later than December 31, 2015 (the “**Claims**  
22 **Bar Date**”) in accordance with the provisions of Insurance Code sections 1010 *et seq.*, (including  
23 without limitation Insurance Code section 1023). The claim must be timely filed on the form  
24 provided by the Liquidator, together with proper proofs thereof, and must be supplemented with  
25 such further information as the Liquidator requests, in accordance with Insurance Code section

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1 1023(f). As provided in Insurance Code section 1024, any claims not filed by the Claims Bar  
2 Date shall be conclusively deemed forever waived and no action may be maintained thereon.

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DATED: 1/28/15

  
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THE HONORABLE AMY D. HOGUE  
Judge of the Los Angeles Superior Court