

1 ROB BONTA
Attorney General of California
2 LISA W. CHAO
Supervising Deputy Attorney General
3 CAROLINE C. LAM
Deputy Attorney General
4 State Bar No. 298045
300 South Spring Street, Suite 1702
5 Los Angeles, CA 90013-1230
Telephone: (213) 269-6224
6 Fax: (916) 731-2144
E-mail: Caroline.Lam@doj.ca.gov
7 *Attorneys for Applicant Insurance Commissioner
of the State of California*

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9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF MERCED
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13 **INSURANCE COMMISSIONER OF THE
STATE OF CALIFORNIA,**

14 Applicant,

15 v.

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17 **MERCED PROPERTY & CASUALTY
CO.,**

18 Respondent.
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Case No. 18CV-04739

**[PROPOSED] ORDER TO APPROVE
LIQUIDATOR'S 1) PAYMENT OF
ADMINISTRATIVE AND
PROFESSIONAL FEES AND EXPENSES
FOR THE PERIOD OF NOVEMBER 1,
2022 TO SEPTEMBER 30, 2024; 2)
APPROVE EXECUTED RELEASE
AGREEMENT WITH THE FEDERAL
GOVERNMENT; 3) AUTHORIZE FINAL
DISBURSEMENT OF MERCED
ASSETS; 4) ESCHEAT UNCLAIMED
FUNDS TO STATE; 5) RETAIN
CLOSING RESERVE; 6) AUTHORIZE
DISPOSAL OF LEGACY RECORDS; 7)
REMIT RESIDUAL ESTATE ASSETS
TO PARENT ENTITY; 8) CLOSE
ESTATE**

23 Date: April 2, 2025
24 Time: 8:15 a.m.
25 Dept: 8
Judge: Hon. Stephanie Jamieson
Action Filed: November 30, 2018

26 The Application of the Insurance Commissioner of the State of California (Commissioner),
27 in his capacity as Liquidator of Merced Property & Casualty Company (Merced), for an Order to
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1) Approve Payment of Administrative and Professional Fees and Expenses for the period of November 1, 2022 to September 30, 2024; 2) Approve Executed Release Agreement with the Federal Government; 3) Authorize Final Disbursement of Merced Assets; 4) Escheat Unclaimed Funds to State; 5) Retain Closing Reserve; 6) Authorize Disposal of Legacy Records; 7) Remit Residual Estate Assets to Parent Entity; and 8) Close Estate was heard in Department 8 of the above-entitled court on April 2, 2025, at 8:15 a.m., the Honorable Stephanie Jamieson presiding. Having read and considered the Application, the Memorandum of Points and Authorities, the Declaration of Scott Pearce submitted in support thereof, the Exhibits submitted in support thereof and, argument having been heard and good cause appearing,

IT IS HEREBY ORDERED that:

1. The Application is granted;
2. The Commissioner’s payment of administrative and professional fees and expenses in the total amount of \$692,196 for the period of November 1, 2022, through September 30, 2024, is approved;
3. The Commissioner’s executed federal release and waiver agreement with the United States Department of Justice concerning the federal government’s Class 3 claim is approved;
4. The Commissioner is authorized to disburse and pay a total of \$172,917.22 from the assets of the Merced estate to the six approved Class 7 general creditors after the federal release and waiver agreement becomes effective;
5. The Commissioner is authorized to disburse and pay a total of \$197,286.49 from the assets of the Merced estate to the 62 approved Class 8 equity creditors after the federal release and waiver agreement becomes effective;
6. The Commissioner is authorized to escheat up to a total of \$213,600 from the remaining assets of the Merced estate to the proper state agency as unclaimed funds;
7. The Commissioner is authorized to retain \$350,000 in Merced assets as a closing reserve for the payment of projected future administrative expenses incurred during the release of the estate’s final distribution and for any remaining tasks required to properly close the liquidation, including dismissal of the legal proceeding and discharge of the Commissioner;

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8. The Commissioner is authorized to dispose of all legacy records of the Merced estate;

9. The Commissioner, upon completion of paying all remaining Classes 7 and 8 distributions, escheating all unclaimed funds, and reserving a closing budget, is authorized to release all residual estate assets in the estimated amount of 7,553,086 to the estate’s parent and owner, United Heritage Financial Group;

10. The Commissioner is authorized to take any and all action necessary to accomplish the purposes of this Order; and

11. The Commissioner is authorized to close the Merced liquidation estate and discharge the Commissioner as Liquidator upon the filing of a declaration of compliance that the Commissioner has distributed the assets in accordance with the Court’s order

Dated: _____
The Honorable Stephanie Jamieson

DECLARATION OF SERVICE BY ELECTRONIC MAIL

Case Name: **Insurance Commissioner of the State of California v. Merced Property & Casualty Co.**

Case No.: **18CV-04739**

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.

On February 21, 2025, I served the attached **[PROPOSED] ORDER TO APPROVE LIQUIDATOR'S 1) PAYMENT OF ADMINISTRATIVE AND PROFESSIONAL FEES AND EXPENSES FOR THE PERIOD OF NOVEMBER 1, 2022 TO SEPTEMBER 30, 2024; 2) APPROVE EXECUTED RELEASE AGREEMENT WITH THE FEDERAL GOVERNMENT; 3) AUTHORIZE FINAL DISBURSEMENT OF MERCED ASSETS; 4) ESCHEAT UNCLAIMED FUNDS TO STATE; 5) RETAIN CLOSING RESERVE; 6) AUTHORIZE DISPOSAL OF LEGACY RECORDS; 7) REMIT RESIDUAL ESTATE ASSETS TO PARENT ENTITY; 8) CLOSE ESTATE** by transmitting a true copy via electronic mail, addressed as follows:

Jeffrey D. Neumeyer, Esq.
Sr. Vice President, General Counsel and
Corporate Secretary
United Heritage Financial Group
Email to jneumeyer@unitedheritage.com

Brad Roeber
Executive Director
California Insurance Guarantee Association
Email to roeberb@ciga.org

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on February 21, 2025, at Los Angeles, California.

Gail Agcaoili

Declarant

/s/ Gail Agcaoili

Signature