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*Attorneys for Insurance Commissioner of the State
of California as the Liquidator*

Fee Exempt – Gov’t Code, § 6103

**CONFORMED COPY
ORIGINAL FILED**
Superior Court of California
County of Los Angeles

DEC 06 2018

Sherri R. Carter, Executive Officer/Clerk of Court
By: Deborah McKinney, Deputy

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
SPRING STREET COURTHOUSE**

INSURANCE COMMISSIONER OF
THE STATE OF CALIFORNIA,

Petitioner,

v.

SEECHANGE HEALTH INSURANCE
COMPANY,

Respondent.

Case No. BS152302
Assigned to Hon. Maren Nelson, Dept. SCC 17

**DECLARATION OF JOSEPH HOLLOWAY
REGARDING FINAL DISTRIBUTION OF
ESTATE ASSETS AND CLOSING OF CASE**

Hearing
Date: August 30, 2018
Time: 9:00 a.m.
Place: Dept. SCC 17
312 North Spring Street
Los Angeles, CA 90012

Action Filed: November 18, 2014

1 I, Joseph Holloway, Jr., declare as follows:

2 1. I am over 18 years old. I have personal, first-hand knowledge of the facts set forth
3 in this declaration. If called upon to testify to the facts below, I would competently do so.

4 2. I have a Bachelor of Arts degree in accounting from North Carolina State
5 University and hold the designation of Certified Financial Examiner from the Society of Financial
6 Examiners. Since 2005, I have worked for the Insurance Commissioner's Conservation &
7 Liquidation Office (the "CLO"). I have over 25 years of experience working with insurance
8 companies experiencing financial difficulties, including companies in supervision, conservation,
9 rehabilitation, and liquidation.

10 3. Under Paragraph 3 of the Court's *Liquidation Order* entered on January 28, 2015,
11 the Court appointed the Insurance Commissioner, in his official capacity ("**Liquidator**" or the
12 "**Commissioner**"), to serve as the Liquidator of SeeChange Health Insurance Company
13 ("**SeeChange**"). In that paragraph, the Court appointed me to serve as the on-site Liquidation
14 Manager for SeeChange. I also served as the on-site Conservation Manager for SeeChange
15 during the period from November 19, 2014 through January 28, 2015.

16 4. I have read the Court's *Order: (1) Approving Liquidator's Final Report and*
17 *Accounting, (2) Directing Final Distribution of Estate Assets, (3) Approving Administrative*
18 *Expenses, and (4) Discharging Liquidator and Terminating Liquidation Proceeding*, entered on
19 August 30, 2018 (the "**Distribution Order**"). A true and correct copy of the Distribution Order
20 is attached hereto as Exhibit 1.

21 5. Paragraph 3 of the Distribution Order directs the Liquidator to distribute
22 approximately \$3,727,921.69 to approved claimants as set forth in Exhibit A to the Distribution
23 Order. On or about September 18, 2018, my staff at the CLO sent checks in the amounts set
24 forth in the Distribution Order by U.S. Mail to each of the claimants listed in the Distribution
25 Order. I have reviewed bank records that show that all of the checks were cashed except for
26 three. After the three checks went uncashed for several days, at my direction, my staff stopped
27 payment on those checks. My staff telephoned each of the three claimants whose checks were not
28

1 cashed. My staff wired funds to those claimants to the bank accounts indicated by the claimants.
2 I have reviewed bank records that show that all of wires was received by the claimants.

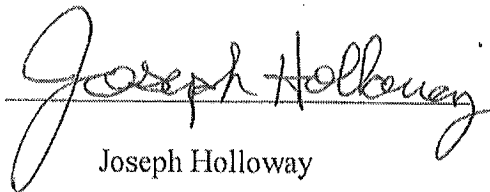
3 6. As authorized by paragraph 5 of the Distribution Order, the Liquidator has retained
4 a reserve of \$250,000 for payment of administrative expenses incurred after March 31, 2018 for
5 administrative and closing costs in this case. The Liquidator and I anticipate that these
6 administrative costs will be ongoing until after the California Department of Finance completes a
7 routine audit of the CLO (including the handling of this case) in March 2019. I anticipate that the
8 total administrative expenses incurred by the Commissioner after March 31, 2018 for
9 administrative and closing costs in this case will be significantly less than \$250,000. As directed
10 by paragraph 5 of the Liquidation Order, the Commissioner will pay the unused reserve, pro rata,
11 to approved Class 2 claimants after it pays for the audit by the California Department of Finance.

12 7. There have been no appeals from matters decided in this case.

13 8. Paragraph 8 of the Liquidation Order provides that this case and the estate of
14 SeeChange shall be closed "upon the filing of a declaration that the Commissioner has distributed
15 the assets of SeeChange in accordance with this Order." I believe that the Commissioner has
16 distributed the assets of SeeChange in accordance with the Liquidation Order and that the above-
17 captioned case should be closed.

18
19 I declare under penalty of perjury under the laws of the State of California that the
20 foregoing is true and correct.

21 DATED: December 5, 2018


Joseph Holloway

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EXHIBIT 1

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Fee Exempt – Gov’t Code, § 6103

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Superior Court of California
County of Los Angeles

AUG 30 2018

Sherri R. Carter, Executive Officer/Clerk
By: Nancy Navarro, Deputy

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
SPRING STREET COURTHOUSE**

INSURANCE COMMISSIONER OF
THE STATE OF CALIFORNIA,

Petitioner,

v.

SEECCHANGE HEALTH INSURANCE
COMPANY,

Respondent.

Case No. BS152302
Assigned to Hon. Maren Nelson, Dept. SCC 17

- ~~[PROPOSED]~~ ORDER:
(1) APPROVING LIQUIDATOR’S FINAL
REPORT AND ACCOUNTING,
(2) DIRECTING FINAL DISTRIBUTION OF
ESTATE ASSETS,
(3) APPROVING ADMINISTRATIVE
EXPENSES, AND
(4) DISCHARGING LIQUIDATOR AND
TERMINATING LIQUIDATION
PROCEEDING

Hearing
Date: August 30, 2018
Time: 9:00 a.m.
Place: Dept. SCC 17
312 North Spring Street
Los Angeles, CA 90012

Action Filed: November 18, 2014

RECEIVED
LOS ANGELES SUPERIOR COURT

JUL 17 2018

R. NAZARYAN

1 On July 16, 2018, Dave Jones, Insurance Commissioner of the State of California (the
2 "Commissioner"), in his capacity as Liquidator (the "Liquidator") of SeeChange Health
3 Insurance Company ("SeeChange"), filed and served his *Notice of Application and Application*
4 *for Order: (1) Approving Liquidator's Final Report and Accounting, (2) Directing Final*
5 *Distribution of Estate Assets, (3) Approving Administrative Expenses, and (4) Discharging*
6 *Liquidator and Terminating Liquidation Proceedings* (the "Application"). The Application was
7 set for hearing on August 30, 2018. The Court has reviewed the Application and the documents
8 filed in connection with the Application. The Court finds that notice of the Application was
9 appropriate and that there is a sufficient legal and factual basis for the relief granted herein.

10 Good cause appearing therefor, IT IS ORDERED:

11 1. The Application is GRANTED as set forth below.

12 2. The Liquidator's Final Report and Accounting is SETTLED AND APPROVED as
13 presented.

14 3. The Liquidator is AUTHORIZED AND DIRECTED to distribute approximately
15 ~~\$2,667,945.47~~ ^{MW \$3,727,921.69} to approved claimants as set forth in Exhibit A. The Liquidator is authorized to
16 adjust the distribution for investment income and changes in the market value of investments that
17 have been posted as of the date the investments are withdrawn from the investment pool. The
18 distributions shall be made within 21 days of the entry of this order.

19 4. As to disbursements that are either undeliverable or as to which issued checks have
20 not then been negotiated, the Liquidator is authorized to void such checks as have not been
21 negotiated within the six-month waiting period of Code of Civil Procedure section 1517. All
22 undeliverable amounts and amounts of non-negotiated checks shall escheat to the Insurance Fund
23 pursuant to section 12937.

24 5. The Liquidator's payment of fees and other costs from October 1, 2017 through
25 March 31, 2018, as described in the Liquidator's Final Report and Accounting is approved and
26 ratified. The Commissioner is AUTHORIZED to retain a reserve of \$250,000 for payment of
27 administrative expenses incurred by the Commissioner after March 31, 2018 for administrative
28 and closing costs. A report to the Court of the expenditure of these funds shall not be required.

1 To the extent administrative expenses after April 1, 2018 are greater than \$250,000, the
2 Commissioner is authorized to pay any excess closing and administrative costs out of the funds
3 appropriated for the maintenance of the Department of Insurance. To the extent administrative
4 expenses after April 1, 2018 are less than \$250,000, the Commissioner is authorized and directed
5 to pay the remaining reserve pro rata to approved Class 2 claimants as set forth in Exhibit A;
6 provided that the Commissioner is excused from making a distribution of less than \$10 (ten
7 dollars).

8 6. In the event that this or any order issued during the course of this receivership is
9 appealed, the Commissioner is authorized to defend such appeal if necessary, in the
10 Commissioner's discretion and pay the costs of defending the appeal from the reserve established
11 under paragraph 5 of this order.

12 7. The Commissioner shall maintain in the Conservation & Liquidation Office
13 imaged databases of all records of SeeChange for a period of 12 months from the date of the
14 Court's order. Thereafter, the Commissioner is authorized to destroy all records of SeeChange
15 (including related to this case), except for those records necessary for examination by the
16 Department of Finance or the auditor of the Commissioner's books and records pursuant to
17 Insurance Code section 1061.

18 8. This case and the estate of SeeChange shall be CLOSED upon the
19 filing of a declaration that the Commissioner has distributed the assets of SeeChange in
20 accordance with this Order. Upon such filing the Commissioner, his Special Deputies, the
21 Conservation and Liquidation Office, its employees, the California Department of Insurance, and
22 its personnel, and the Commissioner's agents and attorneys are hereby be DISCHARGED from
23 any and all claims, debts, liabilities, or duties to further account for the assets or liabilities of
24 SeeChange, and shall have no liability of any kind or nature for such claims or debts or respond to
25 any discovery requests, absent further order of this Court.

26 9. The Commissioner is authorized to take any action necessary to accomplish the
27 purposes of this Order. This Court retains jurisdiction over any matters or claims that may arise
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concerning the conservation of SeeChange, the liquidation of SeeChange, or the orders issued in
this proceeding.

DATED: 8/30/18

Maren E. Nelson

MAREN E. NELSON

JUDGE OF THE SUPERIOR COURT

EXHIBIT A

EXHIBIT A

POC		POC Amount	%	Total Distribution
	NATIONAL ORGANIZATION OF LIFE & HEALTH			
501840	GUARANTY ASSOCIATIONS	\$21,806,179.00	99.3170%	8,721,745.47 *
503100	MT WHITNEY DAIRY	\$31,670.00	0.14424%	12,666.95
501423	ROYAL ROBBINS LLC	\$21,291.00	0.09697%	8,515.69
500642	DEVERO INC DBA HOME HEALTHCARE SOS	\$11,040.00	0.05028%	4,415.63
501219	ONE LLP	\$9,991.99	0.04551%	3,996.46
500629	DELTA TESTING SERVICES INC	\$9,772.00	0.04451%	3,908.47
500623	DECORATIVE PLUMBING DISTRIBUTORS	\$8,762.00	0.03991%	3,504.51
501303	POONGSAN CORP CA BRANCH	\$7,849.00	0.03575%	3,139.34
501625	THE CORE GROUP/MEADE CONSTRUCTION	\$6,952.00	0.03166%	2,780.57
500808	GOREN MARCUS MASINO & MARSH CPAS LLP	\$5,824.00	0.02653%	2,329.41
500812	GRACE BAPTIST CHURCH SANTA BARBARA	\$5,102.00	0.02324%	2,040.63
501323	PROCESSING POINT INC	\$4,238.00	0.01930%	1,695.06
501301	POLLAK VIDA & BARER	\$3,814.37	0.01737%	1,525.62
501559	STEPHENS REIDINGER & BELLER LLP	\$2,849.00	0.01298%	1,139.51
501906	BAY AREA BUILDERS	\$2,446.00	0.01114%	978.32
500470	CARLSON BECK LLC	\$1,667.00	0.00759%	666.74
500060	JOHN MORAN	\$1,608.20	0.00732%	643.23
500897	INSPIRED PRODUCTS GROUP LLC DBA KIDSEMBRACE	\$1,579.00	0.00719%	631.55
500092	MARCY LUNELL	\$1,326.60	0.00604%	530.60
501539	SOUTH VALLEY MEDICINE AND CARDIOLOGY	\$1,326.00	0.00604%	530.36
501447	SANDEE DESIGN	\$1,219.00	0.00555%	487.56
501328	PROTEA GROUP INTERNATIONAL INC	\$1,013.59	0.00462%	405.40
501629	MAUREEN VERDUYN	\$985.05	0.00449%	393.99
501720	ANNE & JOHN ALDERETE	\$985.00	0.00449%	393.97
501237	OUTPOST RECREATION & EDUCATION INC	\$975.00	0.00444%	389.97
500291	ANTHONY J DUTRA	\$963.00	0.00439%	385.17
500223	ABI OFFICE FURNITURE INC	\$754.00	0.00343%	301.57
503117	ASHLEY E NORMAN	\$644.58	0.00294%	257.81
500770	FUSION FLORAL LLC	\$626.00	0.00285%	250.38
500240	AF TECHNOLOGY LLC	\$505.00	0.00230%	201.98
500074	KELSEY HILTON	\$486.20	0.00221%	194.46
503096	HSIU-YU LU	\$403.11	0.00184%	161.23
501406	ROCKY MOUNTAIN VICTIM LAW CENTER	\$393.34	0.00179%	157.32
501609	DIANA TRAN	\$350.00	0.00159%	139.99
500345	BEAUTY SOLUTIONS LLC	\$327.00	0.00149%	130.79
503118	RACHEL S WALENSKY	\$215.00	0.00098%	85.99
Total		\$21,956,132.03	100%	8,781,721.69

* Because NOLHGA already received interim distribution of \$5,053,800, the final distribution will only be \$3,667,945.47

DECLARATION OF SERVICE BY E-MAIL AND U.S. MAIL

Case Name: **Insurance Commissioner of the State of California v. SeeChange Health Insurance Company**

Case No.: **BS152302**

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 with postage thereon fully prepaid that same day in the ordinary course of business.

On December 6, 2018, I served the foregoing

DECLARATION OF JOSEPH HOLLOWAY REGARDING FINAL DISTRIBUTION OF ESTATE ASSETS AND CLOSING OF CASE

by transmitting a true copy via electronic mail to the persons on the attached list at the indicated email addresses. In addition, I placed a true copy thereof enclosed in a sealed envelope as first class mail, in the internal mail system of the Office of the Attorney General, to each of the persons and entities set forth on the attached list.

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on December 6, 2018, at Los Angeles, California.

Linda Richardson
Declarant


Signature

Case Name: Insurance Commissioner of the State of California v. SeeChange Health Insurance Company
Case No.: BS152302

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Claimants¹

STEPHENS REIDINGER & BELLER LLP
Bay Area Builders
CARLSON BECK LLC
JOHN MORAN
INSPIRED PRODUCTS GROUP LLC DBA:
KIDSEMBRACE
MARCY LUNELL
SOUTH VALLEY MEDICINE AND
CARDIOLOGY
SANDEE DESIGN
PROTEA GROUP INTERNATIONAL INC
MAUREEN VERDUYN
ANNE & JOHN ALDERETE
OUTPOST RECREATION & EDUCATION INC
ANTHONY J DUTRA
ABI OFFICE FURNITURE INC
ASHLEY E NORMAN
FUSION FLORAL LLC

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Counsel to National Organization of Life & Health Guaranty Associations

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Denver, Colorado 80202

Claimants¹

St. Mary's Medical Center
MT WHITNEY DAIRY
ROYAL ROBBINS LLC
DEVERO INC DBA HOME HEALTHCARE
ONE LLP
DELTA TESTING SERVICES INC
DECORATIVE PLUMBING
DISTRIBUTORS
POONGSAN CORP CA BRANCH
THE CORE GROUP/MEADE
CONSTRUCTION
GOREN MARCUS MASINO & MARSH
CPAS LLP
GRACE BAPTIST CHURCH SANTA
BARBARA
PROCESSING POINT INC
POLLAK VIDA & BARER
HSIU-YU LU
ROCKY MOUNTAIN VICTIM LAW
CENTER
DIANA TRAN
BEAUTY SOLUTIONS LLC
RACHEL S WALENSKY
AF TECHNOLOGY LLC
KELSEY HILTON

¹ Addresses of claimants served with this proof of service are withheld to protect their privacy.