

REC'D JAN 24 2013

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ENDORSED
FILED
San Francisco County Superior Court

FEB 25 2013

CLERK OF THE COURT
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Deputy Clerk

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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

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

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 J. Miller**

FILED BY FAX

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.

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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 Dated: February 25, 2013.

MARLA J. MILLER

The Honorable Marla A. Miller
Judge of the Superior Court

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