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12 Attorneys for Applicant Dave Jones,  
Insurance Commissioner of the State of California  
13 in his Capacity as Conservator of  
CastlePoint National Insurance Company  
14

**FILED**  
San Francisco County Superior Court  
JUL 29 2016  
CLERK OF THE COURT  
BY: *[Signature]*  
Deputy Clerk

**EXEMPT from filing fees per Govt.  
Code § 6103**

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

18 DAVE JONES, INSURANCE  
COMMISSIONER OF THE STATE OF  
19 CALIFORNIA,  
20 Applicant,  
21 v.  
22 CASTLEPOINT NATIONAL INSURANCE  
COMPANY, and DOES 1-50, inclusive,  
23 Respondents.  
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Case No. CPF-16-515183  
*MAK*  
**[PROPOSED] ORDER: (1) SETTING  
HEARING DATE AND BRIEFING  
SCHEDULE FOR CONSERVATOR'S  
MOTION FOR ORDER APPROVING  
CONSERVATION AND  
LIQUIDATION PLAN FOR  
CASTLEPOINT NATIONAL  
INSURANCE COMPANY; (2)  
ESTABLISHING PROCEDURES FOR  
HEARING; (3) APPROVING FORM  
OF MAIL NOTICE; (4) APPROVING  
FORM OF PUBLICATION NOTICE**  
  
Date: July 29, 2016  
Time: 11:00 a.m.  
Dept: 302  
Judge: Hon. Harold E. Kahn

1 The Conservator's Ex Parte Application For An Order (1) setting a hearing date and  
2 special briefing schedule for California Insurance Commissioner Dave Jones' (the  
3 "Conservator's") Motion For Order Approving Conservation and Liquidation Plan for  
4 CastlePoint National Insurance Company ("CastlePoint") in conservation ("Conservation and  
5 Liquidation Plan" or "Plan"); (2) establishing procedures for that hearing; (3) approving the form  
6 of notice by mail proposed by Conservator, and (4) approving the form of notice by publication  
7 proposed by Conservator ("Application") came on for hearing at 11:00 a.m. on July 29, 2016.  
8 The Court has reviewed and considered the papers and pleadings filed in connection with the  
9 Motion, including exhibits, as well as the other papers and pleadings on file herein. The matter  
10 having been fully argued, briefed, and submitted, and this Court having considered the evidence,  
11 applicable law, and arguments of counsel, the Application is hereby granted.

12 Based on the foregoing, and good cause appearing therefore,

13 **IT IS FOUND, DETERMINED, AND ORDERED THAT:**

14 (i) A hearing on the Conservator's Motion For Order Approving Conservation and  
15 Liquidation Plan for CastlePoint National Insurance Company ("Plan Motion") is hereby set for  
16 September 13, 2016, at 9:30 a.m. (the "Hearing") in Department 302 of the San Francisco  
17 Superior Court, or such Department to which this proceeding may be subsequently assigned, to  
18 hear the Conservation and Liquidation Plan Motion and any objections, suggestions, support, or  
19 comments related thereto.

20 (ii) The Conservator shall file and serve any additional points and authorities,  
21 declarations, and other evidence in support of the Conservation and Liquidation Plan Motion no  
22 later than August 5, 2016. The Conservator's points and authorities shall not exceed 30 pages.

23 (iii) Any person or other entity wishing to file papers in connection with the Hearing  
24 shall, no later than August 23, 2016, file with the Court written notification and a summary of the  
25 matters to be presented as well as copies of any documents to be presented ("Opposition Papers")  
26 and shall serve such Opposition Papers by email and overnight mail upon the Conservator and his  
27 counsel at the following addresses:  
28

1 Thomas J. Welsh, Esq.  
2 Orrick, Herrington & Sutcliffe LLP  
3 400 Capitol Mall, Suite 3000  
4 Sacramento, CA 95814  
5 tomwelsh@orrick.com

6 and

7 Marguerite Stricklin  
8 Deputy Attorney General  
9 1515 Clay Street, 20<sup>th</sup> Floor  
10 Oakland, California 94612-0550  
11 Marguerite.Stricklin@doj.ca.gov

12 and

13 Joe Holloway  
14 Conservation Manager  
15 CastlePoint Insurance Company in Conservation  
16 10 Pine Street, 26<sup>th</sup> Floor  
17 San Francisco, CA 94111  
18 hollowayj@caclo.org

19 (iv) The Conservator shall provide notice of the Hearing by mailing a notice,  
20 substantially in the form attached hereto as Exhibit "A," and a copy of this Order, together with  
21 such other information as the Conservator deems necessary and appropriate to describe the  
22 Conservation and Liquidation Plan and the procedures for the Hearing, to all policyholders, the  
23 shareholder, known creditors, and other interested parties at their addresses as shown in  
24 CastlePoint's records. The Court finds that such notice is reasonably calculated to and does  
25 provide fair, reasonable, and adequate notice of these proceedings, this Order, the Plan Motion,  
26 and the Hearing.

27 (v) The Conservator also shall provide notice of the Hearing by publication of notice,  
28 substantially in the form attached hereto as Exhibit "B," in the San Francisco Chronicle, Los  
Angeles Times, and such other publications as the Conservator determines may aid in giving  
reasonable notice to interested parties. The Court finds that such notice is reasonably calculated  
to and does provide fair, reasonable, and adequate notice of these proceedings, this Order, the  
Plan Motion, and the Hearing.

1 (vi) The Conservator shall file and serve upon any person or entity filing Opposition  
2 Papers any Reply thereto no later than September 6, 2016.

3 (vii) Any person or entity interested in the estate or the business, assets, or property of  
4 CastlePoint and supporting or opposing or otherwise commenting upon the Plan, Conservation  
5 Agreement, or Conservation Transaction Agreements, irrespective of whether they have filed  
6 papers pursuant to paragraph (iii) of this Order, may appear at the hearing to show cause why the  
7 Plan, the Conservation Agreement, and Conservation Transaction Agreements, and any  
8 agreement ancillary thereto should or should not be approved and/or ratified. Any person who  
9 fails to appear at the hearing shall be deemed to have forever waived any and all objections or  
10 other matters they may have raised with respect to the Plan Motion, the Plan, all underlying  
11 agreements, and/or any Order approving those motions and agreements.

12 (viii) Any objection to the Plan Motion, Plan, or underlying documents not timely raised  
13 before or at the hearing is forever barred.

14 (ix) No discovery may be sought from the Conservator or his staff, or current or former  
15 CastlePoint officer or employee, with respect to the Plan, including but not limited to the  
16 agreements underlying the Plan, except upon prior order of this Court after a noticed hearing and  
17 upon a showing of good cause.

18 (x) This Court shall continue to assert and to maintain sole and exclusive jurisdiction,  
19 to the exclusion of all other courts or tribunals, over and to all assets of CastlePoint of whatsoever  
20 kind or nature and wherever or however owned or held. No liens, judgments, awards, or claims  
21 of any kind not entered by this Court in accordance with this and the previous orders of this  
22 Court, all of which orders are hereby reaffirmed, shall be valid as against CastlePoint or any of its  
23 said assets. All prior injunctions and other orders of this Court in the Conservation Order entered

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1 July 28, 2016, are reaffirmed and remain in full force and effect. All powers or authority granted  
2 to the Conservator herein are in addition to, and not in limitation of, the powers of the  
3 Conservator under the Insurance Code, the Conservation Order, and applicable case law.

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5 Dated: 7/29/16

  
HONORABLE HAROLD E. KAHN  
JUDGE OF THE SUPERIOR COURT

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# Exhibit A

**NOTICE TO ALL POLICYHOLDERS, CLAIMANTS, CREDITORS, SHAREHOLDERS, AND ALL OTHER PERSONS OR ENTITIES INTERESTED IN CASTLEPOINT NATIONAL INSURANCE COMPANY**

NOTICE IS HEREBY GIVEN that on July 28, 2016, the Superior Court of the City and County of San Francisco entered an Order Appointing Conservator, in the case entitled *Insurance Commissioner of the State of California v. CastlePoint National Insurance Company*, Case No. CPF-16-515183 (“Conservation Order”). Pursuant to the Conservation Order, the California Insurance Commissioner has been appointed as the statutory Conservator of CastlePoint National Insurance Company (“CastlePoint”). The Conservation Order authorizes and empowers the Commissioner, through his Conservation & Liquidation Office, to conserve CastlePoint and its assets for the benefit of CastlePoint’s claimants, creditors and shareholder, as provided in Sections 1010 through 1062 of the Insurance Code of the State of California. **The Conservation will not cause any disruption or delay in the delivery of workers’ compensation benefits to injured workers covered under CastlePoint policies. Claimants should continue to work with their current claims administrators. If there is a change in claims administration, you will be notified by the Conservator or one of his contracted parties. All other claims are being evaluated by the Conservator and will continue to be paid where deemed appropriate.** CastlePoint consists of the following companies that were merged prior to Conservation:

- CastlePoint National Insurance Company
- Tower Insurance Company of New York
- Tower National Insurance Company
- Hermitage Insurance Company
- CastlePoint Florida Insurance Company
- North East Insurance Company
- Massachusetts Homeland Insurance Company
- Preserver Insurance Company
- York Insurance Company of Maine
- CastlePoint Insurance Company

The Commissioner has also filed a proposed Motion for Order Approving Conservation and Liquidation Plan for CastlePoint National Insurance Company. As part of the Conservation and Liquidation Plan, CastlePoint, CP Re and ACP Re have agreed to commute a stop loss reinsurance agreement for a cash payment of \$200 million to CastlePoint. In addition, two Administrative Services Agreements will be entered for the continuity of claims servicing and payment processing. The Superior Court has set a hearing on the Commissioner’s motion to approve the proposed Conservation and Liquidation Plan for September 13, 2016, at 9:30 a.m., in Department 302, at 400 McAllister Street, San Francisco, California, 94102. A copy of the Conservation Order and the Proposed Motion and other documents in support of the Conservation and Liquidation Plan can be found on the Conservation & Liquidation Office website at: [www.caclo.org](http://www.caclo.org). A set of questions and answers concerning the conservation of CastlePoint can be found on the same website. Additional information about CastlePoint can be found on the Company’s website at: [www.twrgrp.com](http://www.twrgrp.com) or contact CastlePoint at 877-813-8531.

NOTICE IS FURTHER GIVEN that any and all policyholders, claimants, creditors, shareholders, or other persons having any interest in CastlePoint and wishing to submit any written support for, opposition to or comment on the Commissioner’s Conservation and Liquidation Plan motion must file all such papers in support or opposition in the Superior Court and serve on the Commissioner no later than August 23, 2016. Any person or entity interested in the estate or the business, assets, or property of CastlePoint and supporting

or opposing or otherwise commenting upon the Plan, Conservation Agreement, or Conservation Transaction Agreements, may appear at the September 13 hearing irrespective of whether they have filed papers.

This notice is given and published pursuant to the provisions of Sections 1010 through 1062 of the California Insurance Code for the purpose of conservation and ALL PERSONS ARE HEREBY WARNED THAT FAILURE TO APPEAR AT THE SEPTEMBER 13 HEARING TO PRESENT ANY COMMENT, SUPPORT, OR OPPOSITION TO THE PLAN SHALL RESULT IN IT BEING DEEMED WAIVED AND IT MAY NOT BE CONSIDERED BY THE COURT.

Date: August \_\_, 2016

DAVE JONES

Insurance Commissioner of the  
State of California as Conservator of  
CastlePoint National Insurance Company

By:

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David E. Wilson  
Special Deputy Insurance Commissioner

# **Exhibit B**

**NOTICE TO ALL POLICYHOLDERS, CLAIMANTS, CREDITORS, SHAREHOLDERS, AND ALL OTHER PERSONS OR ENTITIES INTERESTED  
IN CASTLEPOINT NATIONAL INSURANCE COMPANY**

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|--|-------------------------------------|
| CastlePoint National Insurance Company   | Tower Insurance Company of New York |
| Tower National Insurance Company         | Hermitage Insurance Company         |
| CastlePoint Florida Insurance Company    | North East Insurance Company        |
| Massachusetts Homeland Insurance Company | Preserver Insurance Company         |
| York Insurance Company of Maine          | CastlePoint Insurance Company       |

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Date: August \_\_, 2016

DAVE JONES

Insurance Commissioner of the  
State of California as Conservator of  
CastlePoint National Insurance Company

By:

\_\_\_\_\_  
David E. Wilson  
Special Deputy Insurance Commissioner