KAMALA D. HARRIS ENPORSED Attorney General of the State of California 2 JOYCE E, HEE (State Bar No. 88610) Supervising Deputy Attorney General ANNE MICHELLE BURR (State Bar No. 158302) 3 SEP 18 2014 Deputy Attorney General 4 455 Golden Gate, Suite 11000 CLERK OF THE COURT San Francisco, California 94102-7004 MICHAEL RAYRAY (415) 703-1403 5 Telephone: Deputy Clark (415) 703-5480 Facsimile: Email: AnneMichelle.Burr@doj.ca.gov 6 7 THOMAS J. WELSH (State Bar No. 142890) ORRICK, HERRINGTON & SUTCLIFFE LLP 8 400 Capitol Mall, Suite 3000 Sacramento, California 95814-4497 9 (916) 447-9200 Telephone: (916) 329-4900 Facsimile: Email: tomwelsh@orrick.com 10 11 Attorneys for Applicant Dave Jones, Insurance Commissioner of the State of California in his Capacity as Conservator of Majestic Insurance 12 Company EXEMPT from filing fees per Govt. 13 Code § 6103 14 SUPERIOR COURT OF THE STATE OF CALIFORNIA 15 CITY AND COUNTY OF SAN FRANCISCO 16 17 DAVE JONES, INSURANCE Case No. CPF-11-511261 COMMISSIONER OF THE STATE OF 18 CONSERVATOR'S STATUS REPORT CALIFORNIA. REGARDING COMPLIANCE WITH 19 Applicant, ORDER APPROVING CONSERVATOR'S PROPOSAL TO 20 DISBURSE ASSETS TO APPROVED v. CREDITOR CLAIMS AND TO 21 MAJESTIC INSURANCE COMPANY, and APPROVE SPECIAL PUBLICATION DOES 1-50, inclusive, NOTICE RELATING TO "GREAT 22 WESTERN" POLICIES Respondents. 23 No Hearing Required. 24 Prior hearing information: Date: July 8, 2014 (Res #060414-04) Time: 9:30 a.m. 25 Dept.: 302 26 Judge: Hon, Ernest H. Goldsmith 27

On July 8, 2014, the Court entered its Order Approving Conservator's Proposal to Disburse Assets to Approved Creditor and to Approve Special Publication Notice Relating to "Great Western" Policies ("Distribution Order"). A copy of the Distribution Order is attached hereto as **Exhibit A**.

Pursuant to the Distribution Order, the Conservator was authorized to take and took the following actions:

- (1) Distributed and assigned on July 11, 2014, Majestic's D&O Claims to the Class 9

 Creditor; and
- (2) Published special notice to the Great Western Claimants informing them of the Conservator's intention to distribute substantially all of the remaining assets of the Majestic estate to the Class 9 Creditor. The special notice was published on July 14, 2014, in the San Diego Union-Tribune, the Los Angeles Times, and the San Francisco Chronicle. Proof of Publication for each paper is attached hereto collectively as **Exhibit B**.

The Conservator received only one response to the publication notice to Great Western Claimants. The call came from a consumer who owns a life insurance policy issued by Great Western Life Insurance Company, a life insurer that is not affiliated in any way with Majestic Insurance Company (f/k/a Great Western Insurance Company). The Conservator's staff informed the consumer that his life policy was issued by a different, unrelated company, and that the Conservator's activities related to the conservation and wind-up of Majestic Insurance Company would have no impact on his life insurance policy. The Conservator also contacted AmTrust to determine if any additional claims or pre-claim reports have been received on any of the Great Western Policies. AmTrust confirmed that no new claims or reports have been received.

Given that no new claims or reports have been received that could be entitled to payment under any of the Great Western Policies, and pursuant to the authorization set forth in the Distribution Order, the Conservator has taken steps to make a further interim distribution to the

All defined terms in this Status Report have the meanings set forth in the Distribution Order and/or the Conservator's Application for such Order.

1	Class 9 Creditor in the amount of \$5 million. That distribution will be made on September	r 24
2	2014.	<i>-</i> .,
3		
4	Dated: September 18, 2014 Respectfully Submitted,	
5	KAMALA D. HARRIS Attorney General of California JOYCE E. HEE	
6	JOYCE E. HEE Supervising Deputy Attorney General	
7		
8	Venne Michaelle Buron	water of
9	ANNE MICHELLE BURR Deputy Attorney General	
10	Attorneys for Applicant Dave Jones, Insurance Commissioner of the State California, in his Capacity as Conser of Majestic Insurance Company	of
. 11	of Majestic Insurance Company	vator
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Exhibit A

1 KAMALA D. HARRIS Attorney General of the State of California 2 JOYCE E. HEE (State Bar No. 88610) ENDORSED Supervising Deputy Attorney General FILED ANNE MICHELLE BURR (State Bar No. 158302) San Francisco County Superior Court 3 Deputy Attorney General 4 455 Golden Gate, Suite 11000 JUL 0 8 2014 San Francisco, California 94102-7004 **CLERK OF THE COURT** 5 Telephone: (415) 703-1403 **GINA GONZALES** (415) 703-5480 Facsimile: 6 Email: AnneMichelle.Burr@doj.ca.gov Deputy Clerk 7 THOMAS J. WELSH (State Bar No. 142890). ORRICK, HERRINGTON & SUTCLIFFE LLP 8 400 Capitol Mall, Suite 3000 Sacramento, California 95814-4497 9 Telephone: (916) 447-9200 (916) 329-4900 Facsimile: 10 Email: tomwelsh@orrick.com 11 Attorneys for Applicant Dave Jones, Insurance Commissioner of the State of California 12 in his Capacity as Conservator of Majestic Insurance Company 13 14 SUPERIOR COURT OF THE STATE OF CALIFORNIA 15 CITY AND COUNTY OF SAN FRANCISCO 16 17 DAVE JONES, INSURANCE Case No. CPF-11-511261 COMMISSIONER OF THE STATE OF 18 CALIFORNIA. FPROPOSED ORDER APPROVING 19 CONSERVATOR'S PROPOSAL TO Applicant, DISBURSE ASSETS TO APPROVED 20 CREDITOR AND TO APPROVE SPECIAL PUBLICATION NOTICE 21 RELATING TO "GREAT WESTERN" MAJESTIC INSURANCE COMPANY, and **POLICIES** 22 DOES 1-50, inclusive, Date: July 8, 2014 (Res # 060414-04) 23 Respondents. Time: 9:30 a.m. Dept.: 302 24 25 26 27 28

California Insurance Commissioner Dave Jones ("Conservator"), as Conservator of Majestic Insurance Company ("Majestic"), has applied for an Order approving the Conservator's Application to disburse assets to Majestic's approved Insurance Code section 1033(a)(9) creditor, and to publish notice to any potential claimants under insurance policies issued in California by Majestic between 1982 and 1984, when Majestic operated under the name "Great Western Insurance Company" (the "Great Western Policies"). The Court having considered the Conservator's Application and the Declarations of David E. Wilson, Kevin McGrath and Stephen Ungar in support thereof, and good cause appearing:

IT IS ORDERED that:

- Liquidating Trust, the sole allowed Class 9 Creditor under Insurance Code section 1033(a)(9) (the "Class 9 Creditor"), or to Lloyd T. Whitaker, the duly appointed liquidating trustee thereof (the "Liquidating Trustee"), certain non-cash assets of Majestic, consisting of all rights, claims and causes of action that Majestic or its conservation estate has or may have against any former directors, officers, employees, agents, consultants, affiliates, or subsidiaries of Majestic or any one or more of its affiliates, arising from, relating to or in connection with his, her or its relationship with Majestic, including but not limited to those for breach of fiduciary duty, aiding and abetting breach of fiduciary duty, and gross negligence ("the D&O Claims"), by executing any assignments or other documents the Conservator determines are reasonable and necessary to vest the Class 9 Creditor or the Liquidating Trustee with full authority to prosecute the D&O Claims:
- The Conservator is authorized to publish the form of notice set forth in his
 Application (the "Great Western Notice") in up to three newspapers of general circulation in California; and
- 3. The Conservator is authorized, if no newly reported claims potentially subject to coverage under the Great Western Policies are received within forty-five (45) days following the last publication of the Great Western Notice, to distribute and pay a

total of \$5,000,000.00 to the Class 9 Creditor or the Liquidating Trustee as a section 1033(a)(9) claimant. If, in the Conservator's sole judgment, newly reported claims create a reasonable risk of liability under the Great Western Policies in excess of the \$1,000,000.00 available under Majestic's reinsurance agreement with Technology Insurance Company, Inc., an affiliate of AmTrust Financial Service, Inc., the Conservator shall not distribute any cash to the Class 9 Creditor without further order of the Court following the submission of a modified distribution plan; and

4. The Conservator is authorized to take any and all actions necessary to accomplish the purposes of this Order.

ERNEST H. GOLDSMITH

Judge of the Superior Court

	,				
1	KAMALA D. HARRIS				
2	Attorney General of California JOYCE E. HEE				
3	Supervising Deputy Attorney General ANNE MICHELLE BURR				
4	Deputy Attorney General State Bar No. 158302				
5	455 Golden Gate Avenue, Suite 11000 San Francisco, California 94102-7004				
6	Telephone: (415) 703-1403 Fax: (415) 703-5480				
7	E-mail: <u>AnneMichelle.Burr@doj.ca.gov</u>				
8	Attorneys for Applicant				
9	Dave Jones, Insurance Commissioner of the State of California in his Capacity as Conservator of Majestic Insurance Company				
10	SUPERIOR COURT OF THE STATE OF CALIFORNIA				
11	COUNTY OF SAN FRANCISCO				
12	CIVIL DIVISION				
13					
14					
15	DAVE JONES, INSURANCE COMMISSIONER OF THE STATE OF	Case No. CPF-11-511261			
16	CALIFORNIA	DECLARATION OF SERVICE			
17	Applicant,	·			
18	v.				
. 19	MAJESTIC INSURANCE COMPANY, and DOES 1-50, inclusive,				
20	Respondents.				
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		Declaration of Service (CPF-11-511261)			

1		Ď	ECLARATION	OF SERVICE				
2	Case Name:	Dave Jones, Insuran Insurance Company	nce Commission y, and Does 1-50	er of the State of	California v. Ma	jestic		
	No.:	CPF-11-511261						
4	I declare;		•	•				
5 6 7 8	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; my business address is: 455 Golden Gate Avenue, Suite 11000, San Francisco, CA 94102-7004. 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.							
9.								
10 11	On July 8, 20	14, I served the attac	hed:					
12	ORDER APPROVING CONSERVATOR'S PROPOSAL TO DISBURSE ASSETS TO APPROVED CREDITOR AND TO APPROVE SPECIAL PUBLICATION NOTICE RELATING TO "GREAT WESTERN" POLICIES							
13			i I	• '	1 11 11			
14	by placing a true copy thereof enclosed in a sealed envelope in the internal mail collection system at the Office of the Attorney General at 455 Golden Gate Avenue, Suite 11000, San Francisco, CA 94102-7004, addressed as follows:							
15 16	SEE ATTACHED SERVICE LIST							
17 18	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 July 8, 2014, at San Francisco, California.							
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21	Elza Moreira		•	Signati	ire			
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Declaration of Service (CPF-11-511261)

1	SERVICE LIST				
2	Linda J. Clark Hiscock & Barclay, LLP	Robert N. Berg, Esq. Michelman & Robinson LLP			
3	50 Beaver Street Albany, NY 12207	455 Market Street, Suite 1420 San Francisco, CA 94105			
4 5	Attorney for Former Members of Group Self- Insurance Workers' Compensation Trust Administered by an Affiliate of Majestic	Attorneys for Majestic USA Capital, Inc. Inc., Majestic Capital, Ltd., Compensation Risk Managers, LLC, Compensation Risk Managers			
6	Insurance Company	of California, LLC, Eimar, LLC and Embarcadero Insurance Holdings, Inc.			
7	Robert K. Edmunds Buchanan Intersoll & Rooney, LLP	Craig S. Bloomgarden			
8.	One America Plaza 600 West Broadway, Suite 1100	Manatt, Phelps & Phillips, LLP 11355 West Olympic Boulevard			
9	San Diego, CA 92101 Attorneys for Xtium, LLC	Los Angeles, CA 90064-1614 Attorney for New York State Workers' Compensation Board			
10	David R. Pfalzgraf, Jr.	Glen A. Van Dyke			
11	Daniel E. Sarzynski Charles D.J. Case	Van Dyke Law Group 12277 Soaring Way, Suite 206			
12	Rupp, Baase, Pfalzgraf, Cunningham & Coppola LLC	Truckee, CA 96161 Attorney for Mark Tanner Construction, Inc.,			
13	1600 Liberty Building Buffalo, NY 14202	Doc Gelso Construction, Inc., Mt. Lincoln Construction, Inc. and Sierra Paint &			
14	Attorneys for New York State Workers' Compensation Board	Chemical, Inc.			
15	Abe M. Rychik	Laszlo Komjathy, Jr.			
16	Katz & Rychik P.C. 30 Broad Street, 8th Floor	Attorney IV California Department of Insurance			
17	New York, New York 10004	45 Fremont Street, 24th Floor San Francisco, CA 94105			
18	Attorneys for Remco Maintenance LLC	Attorney for the Conservator			
19	Karl Belgum Nixon Peabody, LLP				
20	One Embarcadero Center 18 th Floor				
21	San Francisco, CA 94111-3600				
22	Attorneys for Contractors Access Program of California				
23					
24					
25					
26.					
27					

Exhibit B



P.O. Box 120191, San Dlego, CA 92112-0191

AFFIDAVIT OF PUBLICATION

CA CONSERVATION & LIQUIDATION OFFICE 100 PINE STREET, 26TH FLOOR ATNN: ROMMEL ADAO SAN FRANCISCO, CA 94111

STATE OF CALIFORNIA) ss. County of San Diego)

The Undersigned, declares under penalty of perjury under the laws of the State of California: That he is a resident of the County of San Diego. That he is and at all times herein mentioned was a citizen of the United States, over the age of twenty-one years, and that he is not a party to, nor interested in the above entitled matter; that he is Chief Clerk for the publisher of

The San Diego Union-Tribune

a newspaper of general circulation, printed and published daily in the City of San Diego, County of San Diego, and which newspaper is published for the dissemination of local news and intelligence of a general character, and which newspaper at all the times herein mentioned had and still has a bona fide subscription list of paying subscribers, and which newspaper has been established, printed and published at regular intervals in the said City of San Diego, County of San Diego, for a period exceeding one year next preceding the date of publication of the notice hereinafter referred to, and which newspaper is not devoted to nor published for the interests, entertainment or instruction of a particular class, profession, trade, calling, race, or denomination, or any number of same; that the notice of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

Jul 14, 2014

Chief Clerk for the Publisher

7.77

Date

Affidavit of Publication of

Legal Advertisement Ad # 0010850209# ORDERED BY: ROMMEL ADAO Great Western Insurance Company Policies

To any person or business that purposiness tada porchised insurance from Great Western insurance Company ("Great Western") yes through 1984. Please take notice that your rights to make claims and receive payment under insurance policies issued by Great Western from 1982 through 1984 ("Great Western Policies") are being affected by legal proceedings currently occurring in the Superior Couring of the State of Commissioner of the State of Colifornia v. Analestic Insurance Company (Case No. CPF-11-511261). Great Western has trace Commissioner in April 2011. In this proceeding, the provision for the payment of cloims under Great Western Policies may prove indeequate in pay fluture claims under Great Western Polices in pay flow and the provision of assets remaining to pay all future claims under Great Western Policy, you must report the Calmi Immediately (nothing in this Notice shall operate as a walver a policy, you must report the Calmi Immediately (nothing in this Notice shall operate as a walver policy, you must report the Calmi Immediately (nothing in this Notice shall operate as a walver policy, you must report the Calmi Immediately (nothing in this Notice shall operate as a walver policy, you must report the Calmi Immediately (nothing in this Notice shall operate as a wa ed to the commissioner within Tortyfive (45) days after the date of this publication, the Commissioner has been authorized by the Court to proceed with distribution of Maisstribution to allabit to pay future claims
under the Great
Western Policies.
You may obtain additional information
about this proceeding and the proposed
distribution to other
creditors by logging
onto the wester of the Insurance Commissioner's Conservation & Liquidation
Office at wyw.cacloorg. Information
office at wyw.cacloorg. Information
office at wyw.cacloorg. Information
office at wyw.caclotribution was the obtained by clicking on
the onMaisstic and
then on Maisstic Insurance Company.
I was the company.
I was the company of the conservation & Liquldation Office at
(415) 678-5000.

Los Angeles Times MEDIAGROUP

Sold To:

CA Conservation & Liquidation Office - CU00354907 PO Box 26894

San Francisco, CA 94126

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CA Conservation & Liquidation Office - CU00354907 PO Box 26894 San Francisco, CA 94126

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Los Angeles Times MEDIA GROUP

PROOF OF PUBLICATION (2015.5 C.C.P.)

STATE OF ILLINOIS County of Cook

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the action for which the attached notice was published. I am a principal clerk of the Los Angeles Times, which was adjudged a newspaper of general circulation on May 21, 1952, Cases 598599 for the City of Los Angeles, County of Los Angeles, and State of California. Attached to this Affidavit is a true and complete copy as was printed and published on the following date(s):
Jul 14, 2014

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated at Chicago, Illinois

on this 14 day of 11/1, 20/4.

[signature]

435 N. Michigan Ave. Chicago, IL 60611

DECLARATION OF PUBLICATION OF

SAN FRANCISCO CHRONICLE

Great Western Insurance Company Policies

To any person or business that purchased insurance from Great Western Insurance Gompany ("Great Western Insurance Company ("Great Western Irom 1982. Hrough 1984, Please take notice that your rights to make claims and réceive payment under insurance policies issued by Great Western (rom 1982. Utriough 1984 ("Great Western Policies") are being affected by legal proceedings currently occurring in the Superior Court of the City and County of San Francisco in a case entitled Insurance Commissioner of the State of Callfornia v. Majestic Insurance Company (Case No, CPF-11-511261). Great Western Insurance, which was renamed "Majestic Insurance Company" (In 1986, was placed into statulory conservation by the Insurance Commissioner in April 2011. In this proceeding, the Commissioner has made reasonable, but limited provisions for the payment of claims under Great Western Policies, and now Intends to promptly distribute remaining assets to other creditors. It is possible that the provision made for the payment of claims under Great Western Policies, and now Intends to promptly distribute remaining assets to other creditors. It is possible that the provision made for the payment of claims under Great Western Policies, and now Intends to other creditors. Evidence of the payment of claims under Great Western Policies, If you were a policyholder under a Great Western Policy, our must report the claim immediately (nothing in this Notice shall operate as a waiver of any policy requirements relating to geporting a claim, In no material claims are, reported to the Commissioner within longing the count of this publication, the Commissioner has been authorized by the Court to proceed with distribution of Majestic's assets, and hose assets will no longer be available to pay future claims under the Great Western Policies. You may obtain additional information about Majestic and the Great Western Policies may be obtained by clicking on the "Insolvent Companies" link, and then on "Majestic insurance Company" if you do not have access t

Lori Gomez

Declares that:

The annexed advertisement has been regularly published in the

SAN FRANCISCO CHRONICLE

Which is an was at all times herein mentioned established as newspaper of general circulation in the City and County of San Francisco, State of California, as the term is defined by Section 6000 of the Government Code

SAN FRANCISCO CHRONICLE (Name of Newspaper) 901 Mission Street San Francisco, CA 94103 From To (Dates of Publication) I declare under penalty of perjury that the foregoing is true and correct. Executed on

At San Francisco, California

1 KAMALA D. HARRIS Attorney General of California JOYCE E. HEE 2 Supervising Deputy Attorney General ANNE MICHELLE BURR 3 Deputy Attorney General SEP 18 2014 State Bar No. 158302 4 455 Golden Gate Avenue, Suite 11000 CLERK OF THE COURT San Francisco, California 94102-7004 5 MICHAEL RAYRAY Telephone: (415) 703-1403 Deputy Clark Fax: (415) 703-5480 6 E-mail: AnneMichelle.Burr@doj.ca.gov 7 Attorneys for Applicant Dave Jones, Insurance Commissioner of the State of 8 California in his Capacity as Conservator of 9 Majestic Insurance Company SUPERIOR COURT OF THE STATE OF CALIFORNIA 10 COUNTY OF SAN FRANCISCO 11 CIVIL DIVISION 12 13 14 DAVE JONES, INSURANCE Case No. CPF-11-511261 15 COMMISSIONER OF THE STATE OF DECLARATION OF SERVICE OF **CALIFORNIA** CONSERVATOR'S STATUS REPORT 16 REGARDING COMPLIANCE WITH Applicant, 17 ORDER APPROVING CONSERVATOR'S PROPOSAL TO v. DISBURSE ASSETS TO APPROVED 18 CREDITOR CLAIMS AND TO APPROVE SPECIAL PUBLICATION 19 MAJESTIC INSURANCE COMPANY, and DOES 1-50, inclusive, NOTICE RELATING TO "GREAT 20 WESTERN" POLICIES Respondents. 21 22 23 24 25 26 27 28 1

1 DECLARATION OF SERVICE 2 Dave Jones, Insurance Commissioner of the State of California v. Majestic Insurance Company, and Does 1-50-inclusive 3 CPF-11-511261 No.: 4 I declare: 5 I am employed in the Office of the Attorney General, which is the office of a member of the 6 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; my business address is: 455 Golden Gate Avenue, Suite 7 11000, San Francisco, CA 94102-7004. 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. 10 On September 18, 2014, I served the attached: 11 CONSERVATOR'S STATUS REPORT REGARDING COMPLIANCE WITH ORDER APPROVING CONSERVATOR'S PROPOSAL TO DISBURSE ASSETS 12 TO APPROVED CREDITOR CLAIMS AND TO APPROVE SPECIAL 13 PUBLICATION NOTICE RELATING TO "GREAT WESTERN" POLICIES 14 by placing a true copy thereof enclosed in a sealed envelope in the internal mail collection system at the Office of the Attorney General at 455 Golden Gate Avenue, Suite 11000, San Francisco. 15 CA 94102-7004, addressed as follows: 16 SEE ATTACHED SERVICE LIST 17 18 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 September 18, 2014, at San Francisco. 19 California. 20 2 21 22 23 24 25 26 27