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ORIGINAL FILED
SEP 12 1994
SUPERIOR COURT

7 SUPERIOR COURT OF THE STATE OF CALIFORNIA
8 FOR THE COUNTY OF LOS ANGELES

9 INSURANCE COMMISSIONER OF THE) NO. 39404
10 STATE OF CALIFORNIA,)
11 Applicant.) DECLARATION OF ROBERT L.
12) PALUMBO RE: COMPLIANCE
13) WITH ORDER 1) SETTling
14) AND APPROVING REPORT AND
15) ACCOUNT OF CONSERVATOR
16) AND LIQUIDATOR; 2)
17) AUTHORIZING
18) DISBURSEMENT OF
19) ASSETS ON APPROVED
20) CLAIMS; AND 3) TER-
21) MINATING THIS PRO-
22) CEEDING AND DISCHARG-
23) ING APPLICANT AS
24) LIQUIDATOR
25)
26)
27)
Respondent.)

20 I, Robert L. Palumbo, state:

21 1. I am a Deputy Insurance Commissioner and, as such,
22 I have been engaged in overseeing the conservation and
23 liquidation of certain of the estates of insurers placed in
24 conservation and liquidation by the various Superior Courts
25 in the State of California, including the estate for Los
26 Angeles Insurance Company. I have personal knowledge of the
27 facts set forth in this declaration, and if called to

1 testify could and would competently do so.

2 2. On September 3, 1992, this Court entered its order
3 1) Settling and Approving Report and Account of Conservator
4 and Liquidator; 2) Authorizing Disbursement of Assets on
5 Approved Claims; and 3) Terminating this Proceeding and
6 Discharging Applicant as Liquidator. The Order provided in
7 part:

8 "...2. Applicant is authorized to retain the sum of
9 \$10,000 for closing costs;...

10 4. Applicant is authorized to distribute \$725,016
11 at 58.4 cents on the dollar on approved return
12 premium claims in excess of \$5.00 for a total of
13 \$86,579 and to the California Insurance Guarantee
14 Association the sum of \$638,437, and make
15 appropriate distribution of investment income
16 earned since February 29, 1992;...

17 6. This estate shall be closed and Applicant
18 discharged as Liquidator upon his filing a
19 declaration that the Liquidator has distributed
20 the assets in accordance with this Court's order."

21 2. On November 3, 1992, Applicant mailed 3,409 checks,
22 totaling \$86,384, as payment on approved claims. Two
23 thousand of those checks, totaling \$68,081.73, were returned
24 as undeliverable or were still outstanding and uncashed as
25 of July 26, 1994. On July 26, 1994, these unclaimed and
26 undeliverable funds were transmitted to the State Controller

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1 for deposit in the State Treasury under the provisions of
2 Section 1056.5 of the Insurance Code and Section 1517 of the
3 Code of Civil Procedure.

4 3. In September 1992, Applicant distributed the sum of
5 \$638,437 to the California Insurance Guarantee Association.

6 4. Interest and income in the sum of \$24,770.00 have
7 accrued since February 29, 1992, and Applicant has paid the
8 following closing costs and administrative expenses incurred
9 after that date:

10	Personnel expenses	\$59,841
	Use and occupancy	11,616
11	Office expenses	5,468
	Administration expense - Dept.	
12	of Insurance	609
	Administration expense - Dept.	
13	of Justice	290
	Administration expense - Dept.	
14	of Finance	1,118
	Professional services	5,664
15	<u>Other operating expense</u>	<u>2,418</u>
16	Total	\$87,024

17 After February 29, 1992, substantial administrative
18 expenses were incurred in preparing documentation to
19 transmit the unclaimed and undeliverable funds to the State
20 Controller. The information required by the State
21 Controller was quite extensive and required staff to review
22 manually each unclaimed or undeliverable check to extract
23 the necessary information and to enter the information into
24 the computer system. The printout of the information
25 submitted to the State Controller for the estate of
26 Respondent was 905 pages.

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1 5. All administrative expenses in excess of the
2 \$10,000 held for closing costs and the interest and income
3 of \$24,770.00 have been paid from the Insurance Fund as
4 provided in California Insurance Code Section 1035.
5 Applicant has no funds remaining in the estate of
6 Respondent, and this estate is closed concurrent with the
7 filing of this declaration.

8 Executed at Los Angeles, California, on August 24,
9 1994.

10 I declare under penalty of perjury that the foregoing
11 is true and correct.

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15 ROBERT L. PALUMBO
16 Deputy Insurance Commissioner
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STATE OF CALIFORNIA
Department of Insurance

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA)	DECLARATION OF SERVICE BY MAIL
)	
	)	No. 39404
Applicant.	)	DECLARATION OF ROBERT L.
	)	PALUMBO RE: COMPLIANCE WITH
v.	)	ORDER 1) SETTling AND APPROV-
	)	ING REPORT AND ACCOUNT OF
LOS ANGELES INSURANCE COMPANY,	)	CONSERVATOR AND LIQUIDATOR;
a California Corporation,	)	2) AUTHORIZING DISBURSEMENT
	)	OF ASSETS ON APPROVED CLAIMS;
Respondent.	)	AND 3) TERMINATING THIS PRO-
	)	CEEDING AND DISCHARGING
	)	APPLICANT AS LIQUIDATOR

I am over the age of 18 years, and not a party to this cause.

I am an employee of the State of California, Department of Insurance, employed at 45 Fremont Street, San Francisco, CA 94105

On the 29th day of August 1994, at San Francisco, California, I sealed into an envelope and deposited in the United States mail, postage thereon fully prepaid, true copies of the following documents in the above-entitled matter:

DECLARATION OF ROBERT L. PALUMBO RE: COMPLIANCE WITH ORDER 1) SETTling AND APPROVING REPORT AND ACCOUNT OF CONSERVATOR AND LIQUIDATOR; 2) AUTHORIZING DISBURSEMENT OF ASSETS ON APPROVED CLAIMS; AND 3) TERMINATING THIS PROCEEDING AND DISCHARGING APPLICANT AS LIQUIDATOR.

Said copies were addressed as follows:

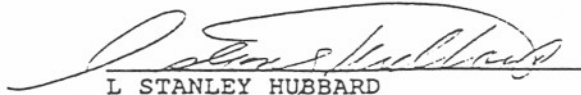
John Gates, Executive Director
California Insurance Guarantee Association
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Los Angeles, CA 90070

Paul A. Mavis
President & Chairman of the Board
Los Angeles Insurance Company
5525 Wilshire Blvd.
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Edmond B. Mamer
Supervising Deputy Attorney General
300 S. Spring Street, Suite 500N
Los Angeles, CA 90013

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 29, 1994, at San Francisco, California.


L STANLEY HUBBARD