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SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO

INSURANCE COMMISSIONER OF THE STATE
OF CALIFORNIA,

Applicant,

v.

GREAT STATES INSURANCE COMPANY, a
California domiciled insurance company,

Respondent.

ENDORSED
FILED
San Francisco County Superior Court

OCT 02 2006

GORDON PAHK-LI, Clerk
BY WESLEY RAMIREZ

NO. 320047

VERIFIED APPLICATION
FOR ORDER AUTHORIZING
PROPOSAL FOR SECOND
EARLY DISTRIBUTION OF
ASSETS TO STATE
INSURANCE GUARANTY
ASSOCIATIONS OR FUNDS;
MEMORANDUM OF POINTS
AND AUTHORITIES IN
SUPPORT THEREOF

Date: November 6, 2006
Time: 9:30 a.m.
Dept: 301
Judge: Hon. Peter J. Busch

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19 Date: November 6, 2006
20 Time: 9:30 a.m.
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22 FACTUAL BACKGROUND

23 The Commissioner was appointed as conservator of respondent Great States by this
24 Court on March 30, 2001 and was thereafter appointed as liquidator of Great States by this Court
25 on May 8, 2001, pursuant to Insurance Code sections 1011 and 1016, respectively. As liquidator,
26 the Commissioner has been directed to liquidate and wind up the business affairs of Great States
27 in accordance with the applicable provisions of the Insurance Code.

28 As part of the Commissioner's responsibilities as liquidator, Insurance Code section

1 1035.5, subdivision (a) provides:

2 Within 120 days of the issuance of an order directing the winding up and
3 liquidation of the business or an insolvent insurer under Section 1016, the
4 commissioner shall make application to the court for approval of a proposal to disburse
5 the insurer's assets, from time to time as such assets become available, to the
California Insurance Guarantee Association, or the California Life and Health
Insurance Guarantee Association, and to any entity or person performing a similar
function in another state.

6 On January 30, 2006, this Court approved the Commissioner's request, pursuant to
7 Insurance Code section 1035.5, to make an early distribution of \$5,000,000 to the California
8 Insurance Guarantee Association and other state insurance guaranty associations or funds. At the
9 time that the Commissioner secured the approval of the Court, the Company had insufficient
10 assets to make any additional distributions of assets to other state guaranty funds pursuant to
11 Insurance Code section 1035.5.

12 The Commissioner has concluded that the estate of Great States now possesses
13 sufficient funds to request approval to make a second early access distribution to the California
14 Insurance Guarantee Association and other state insurance guaranty associations or funds.
15 Specifically, as of May 31, 2006, net available assets of the estate of Great States total
16 \$9,780,118, from which the Commissioner now proposes to make a second early access
17 distribution in the approximate amount of \$5,000,000. (See attached Exhibit A ("Great States
18 3rd Quarter 2006 Early Access Distribution").)

19 As of May 31, 2006, a total of seven (7) guaranty funds have paid a total of
20 \$24,913,164 in losses and loss adjustment expenses on behalf of Great States. Specifically, the
21 Special Fund of the Industrial Commission of Arizona has paid \$3,205,043, the California
22 Insurance Guarantee Association has paid \$10,956,190, the Colorado Insurance Guaranty
23 Association has paid \$9,841,366, the Illinois Insurance Guaranty Fund has paid \$304,818, the
24 Nevada Insurance Guaranty Association has paid \$492,914, the New Mexico Property &
25 Casualty Insurance Guaranty Association has paid \$3,374 and the Texas Property and Casualty
26 Insurance Guaranty Association has paid \$109,460. (See attached Exhibit B ("Great States 3rd
27 quarter 2006 Early Access Distribution Detail of individual IGA distribution amounts").)

28 The Commissioner's proposal with respect to Great States is to distribute and pay

1 40.3463 percent of the paid losses and loss adjustment expenses of each of the above-referenced
2 guaranty funds, as of March 31, 2006, for a total payment to all funds of approximately
3 \$5,000,000. (See attached Exhibit C ("Great States 3rd quarter 2006 Early Access Distribution
4 Analysis of cumulative distribution percentage").) Subtracting the total proposed distribution of
5 approximately \$5,000,000 from Great States' total net available assets of \$9,780,118 would leave
6 Great States HIH America with remaining net assets in the approximate amount of \$4,780,118.

7 In calculating the amount of payment to each guaranty fund, the Commissioner has
8 offset from the proposed distribution the amount of any statutory deposit held by Great States in
9 that particular state, pursuant to Insurance Code section 1035.5, subdivision (d). The
10 Commissioner proposes to distribute and pay each guaranty fund the following amount:

- | | | |
|----|---|-------------|
| 11 | 1. Special Fund of the Industrial Commission of Arizona | \$728,560 |
| 12 | 2. California Insurance Guarantee Association | \$2,285,681 |
| 13 | 3. Colorado Insurance Guaranty Association | \$1,823,401 |
| 14 | 4. Illinois Insurance Guaranty Fund | \$54,180 |
| 15 | 5. Nevada Insurance Guaranty Association | \$87,613 |
| 16 | 6. New Mexico Property & Casualty Ins. Guaranty Assn. | \$0 |
| 17 | 7. Texas Property & Casualty Ins. Guaranty Association | \$20,565 |

18 (See attached Exhibit B ("Great States 3rd quarter 2006 Early Access Distribution Detail of
19 individual IGA distribution amounts").)

20 There are no statutory deposits on deposit in the states of Arizona, California,
21 Colorado, Nevada or Texas. Accordingly, the Commissioner will distribute the above-referenced
22 amounts without applying an offset of a statutory deposit as set forth in Insurance Code section
23 1035.5, subdivision (d). Arizona and California have both recovered amounts pursuant to their
24 workers' compensation surety bonds. Specifically, Arizona has reported recoveries of
25 \$2,378,960 and California has reported recoveries of \$3,341,959. Such amounts have been
26 credited against each state's total losses.

27 In distributing \$54,180 to the Illinois Insurance Guaranty Fund, the Commissioner has
28 credited a previous early access distribution of \$18,620 and has offset statutory deposits of Great

1 States on deposit with the State of Illinois in the total amount of \$50,183 for a total credit in the
2 amount of \$68,803. (See attached Exhibit B ("Great States 3rd quarter 2006 Early Access
3 Distribution Detail of individual IGA distribution amounts").)

4 No distribution will be made to the New Mexico Property & Casualty Insurance
5 Guaranty Association, which has paid \$3,374 in losses and loss adjustment expenses on behalf of
6 Great States, because as of March 31, 2006, Great States had \$210,000 on deposit with the State
7 of New Mexico to offset any payments made by the New Mexico Property & Casualty Insurance
8 Guaranty Association on behalf of Great States claims. After offsetting the payments made by
9 the New Mexico Property & Casualty Insurance Guaranty Association against the statutory
10 deposits, Great States still has \$208,639 in statutory deposits available to cover payments made
11 by the New Mexico Property & Casualty Insurance Guaranty Association. (See attached Exhibit
12 B ("Great States 3rd quarter 2006 Early Access Distribution Detail of individual IGA distribution
13 amounts").)

14 In accordance with Insurance Code section 1035.5, subdivision (b)(1), the
15 Commissioner has reserved certain amounts of the estate's assets for the payment of expenses of
16 administration and the payment of claims of secured creditors and claims falling within the
17 priorities established in Insurance Code section 1033, subdivisions (a)(1) and (a)(2). Subtracting
18 the total proposed distribution of approximately \$5,000,000 from available net assets of
19 \$9,780,118 leaves remaining net assets in the amount of approximately \$4.7 million for the
20 payment of expenses of administration, and all other unrecorded liabilities and contingencies. If
21 closure of the Great States estate is not imminent, the Commissioner will seek approval of an
22 additional early access distribution when such liabilities and contingencies become known and
23 are quantified.

24 In accordance with Insurance Code section 1035.5, subdivision (b)(4), the
25 Commissioner has secured from the guaranty funds receiving a distribution an agreement to
26 return the distributed assets, as required, to pay claims of secured creditors and claims falling
27 within the priorities established in Insurance Code section 1033, subdivisions (a)(1) and (a)(2).

28 As detailed above, the Commissioner has complied with the requirements of Insurance

1 Code section 1035.5 for disbursement of assets to insurance guaranty associations and,
2 accordingly, this Court should approve the instant application.

3 WHEREFORE, the Commissioner respectfully requests, based on this Application,
4 that this Court issue an Order:

5 1. Approving the Commissioner's proposal to disburse a total of approximately
6 \$5,000,000 of the net assets of the estate of Great States to the six (6) state guaranty associations
7 and funds set forth above and in the amounts set forth above.

8 2. Authorizing the Commissioner to take any and all action necessary to accomplish
9 the purposes of the Order requested herein.

10 Dated: 9/29/06

11 BILL LOCKYER
12 Attorney General

13 RANDALL P. BORCHERDING
14 Supervising Deputy Attorney General

15 DAVID LEW
16 Deputy Attorney General

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19 Attorneys for Applicant Insurance Commissioner
20 of the State of California

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1 MEMORANDUM OF POINTS AND AUTHORITIES

2 Insurance Code section 1035.5 provides as follows:

3 Notwithstanding the provisions of Article 14 (commencing with Section 1010),
4 with regard only to those insurers subject to this article:

5 (a) Within 120 days of the issuance of an order directing the winding up and
6 liquidation of the business or an insolvent insurer under Section 1016, the
7 commissioner shall make application to the court for approval of a proposal to disburse
8 the insurer's assets, from time to time as such assets become available, to the
9 California Insurance Guarantee Association, or the California Life and Health
10 Insurance Guarantee Association, and to any entity or person performing a similar
11 function in another state.

12 (b) The proposal shall at least include the following provisions for:

13 (1) Reserving amounts for the payment of expenses of administration and the
14 payment of claims of secured creditors (to the extent of the value of the security held)
15 and claims falling within the priorities established in paragraphs (1) to (4), inclusive, of
16 subdivision (a) of Section 1033.

17 (2) Disbursement of the assets marshaled to date and subsequent disbursements of
18 assets as they become available.

19 (3) Equitable allocation of disbursements to each of the associations entitled
20 thereto.

21 (4) The securing by the commissioner from each of the associations entitled to
22 disbursements pursuant to this section of an agreement to return to the commissioner
23 such assets previously disbursed as may be required to pay claims of secured creditors
24 and claims falling within the priorities established in paragraphs (1) to (5), inclusive, of
25 subdivision (a) of Section 1033 in accordance with the priorities. No bond shall be
26 required of any association.

27 (5) A full report to be made by the association to the commissioner accounting for
28 all assets so disbursed to the association, all disbursements made therefrom, any
interest earned by the association on the assets, and any other matter as the court may
direct.

(c) The commissioner's proposal shall provide for disbursements to the
associations in amounts estimated at least equal to the claim payments made or to be
made by the associations for which such associations could assert a claim against the
commissioner, and shall further provide that if the assets available for disbursement
from time to time do not equal or exceed the amount of the claim payments made or to
be made by the associations, then disbursements shall be in the amount of available
assets. The reserves of the insolvent insurer on the date of the order of liquidation shall
be used for purposes of determining the pro rata allocation of funds among eligible
associations.

(d) The commissioner shall offset the amount disbursed to any entity or person
performing a function in any other state similar to that function performed by the
California Insurance Guarantee Association, or the California Life and Health
Insurance Guarantee Association, by the amount of any statutory deposit, premiums, or
any other asset of the insolvent insurer held in that state.

1 (e) Notice of such application shall be given to the associations in and to the
2 commissioners of insurance of each of the states. Any such notice shall be deemed to
3 have been given when deposited in the United States certified mails, first-class postage
4 prepaid, at least 30 days prior to submission of such application to the court. Action on
the application may be taken by the court provided the above required notice has been
given and provided further that the commissioner's proposal complies with paragraphs
(1) and (4) of subdivision (b).

5 The proposal for which the Commissioner seeks court approval in this application fully
6 satisfies the statutory provisions of section 1035.5. First, the Commissioner will retain general
7 assets of Great States in the amount of approximately \$4.7 million to fund the estate's general
8 administrative expenses and claims of secured creditors, pursuant to Insurance Code section
9 1035.5, subdivision (b)(1). Second, the Commissioner proposes to disburse, on a pro rata basis,
10 to each of the six (6) guaranty funds eligible for a distribution, funds which the Commissioner
11 has determined to be the "available assets" of the estate, pursuant to section 1035.5, subdivisions
12 (b)(2) & (c). Third, the proposal provides for an equitable allocation of certain assets to the state
13 insurance guaranty funds, pursuant to section 1035.5, subdivision (b)(3). Fourth, disbursement
14 of the assets will be subject to an agreement by each of the state insurance guaranty funds to, if
15 necessary, return assets previously disbursed to pay claims of secured creditors, pursuant to
16 section 1035.5, subdivision (b)(4). Fifth, disbursements of the assets will also be subject to an
17 agreement by each of the state insurance guaranty funds to make a full report to the
18 Commissioner accounting for all assets disbursed to each fund, all disbursements made
19 therefrom, and any interest earned by the guaranty fund on the assets, as required by section
20 1035.5, subdivision (b)(5). Finally, the Commissioner will offset the amount disbursed to any
21 entity or person performing a function in any other state similar to that function performed by the
22 California Insurance Guarantee Association by the amount of any statutory deposit, premiums, or
23 any other asset that Great States held in that state, pursuant to section 1035, subdivision (d).
24 Notice of this application has been given in accordance with the provisions of section 1035,
25 subdivision (e).

26 Furthermore, apart from satisfying the statutory provisions of the regulation of
27 workers' compensation insurance provided for under the Insurance Code, the Commissioner's
28 proposal falls within the ambit of his broad statutory discretion. The California Legislature has

1 afforded to the Commissioner, acting in his capacity as the court-appointed liquidator of an
2 insolvent insurer, substantial discretion under the Insurance Code to fashion appropriate
3 procedures necessary to carry out his statutory duties. (*Calfarm Ins. Co. v. Deukmejian* (1989)
4 48 Cal.3d 805, 824-825; *Carpenter v. Pacific Mut. Life Ins. Co.* (1937) 10 Cal.2d 307, 329.) As
5 the court-appointed liquidator of Great States, the Commissioner has the express authority to,
6 among other things, take such actions as he deems necessary to "carry on and conduct the
7 business and affairs" of the Company. (Ins. Code, § 1037, subd. (a).) Section 1037, subdivisions
8 (a) and (b) provide, in pertinent part, as follows:

9 Upon taking possession of the property and business of any person in any
10 proceeding under this article, the commissioner, exclusively and except as otherwise
11 expressly provided by this article, either as conservator or liquidator . . . [s]hall have
12 authority . . . to carry on and conduct the business and affairs of that person or so much
13 thereof as to him . . . may seem appropriate . . . [and also] [s]hall have authority to
compound, compromise or in any other manner negotiate settlements of claims against
that person upon such terms and conditions as the commissioner shall deem to be most
advantageous to the estate of the person being administered . . . or otherwise dealt with
under this article.

14 Section 1037 further provides the Commissioner, as the appointed liquidator of Great States,
15 with unspecified "[g]eneral powers" which shall not be construed to exclude:

16 in any manner his . . . right to perform and to do such other acts not herein specifically
17 enumerated, or otherwise provided for, which the commissioner may deem necessary
or expedient for the accomplishment or in aid of the purpose of such proceedings.

18 In this case, the Commissioner's proposal falls within the ambit of his broad statutory
19 discretion under section 1037. (See *Carpenter, supra*, 10 Cal.2d 307 [seizure of insurance
20 company by Commissioner may lawfully be made without court order and trial court had power
21 to ratify and confirm Commissioner's actions]; *Garris v. Carpenter* (1939) 33 Cal.App.2d 649
22 [Commissioner exercises very broad judgment and discretion in performance of duties].)
23 Judicial approval of the Commissioner's proposal, and the Agreement entered into with each of
24 the six (6) state insurance guaranty funds, will ensure that the conduct of the business and the
25 winding down of Great States are conducted efficiently and in the best interests of its
26 policyholders and creditors.

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Dated: September 28, 2006

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Commissioner of the State of California

EXHIBIT A

Great States

3rd quarter 2006 Early Access Distribution

Analysis of assets available for distribution

Assets and constraints evaluated as of: May 31, 2006

Liquid assets:

Cash balances and pooled investments	10,300,673
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Priority claims, restrictions, and constraints:

Secured liabilities

Class 1 liabilities - current	20,283
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Class 1 budget - years	500,272
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Provision for other class 2 liabilities

Total constraints	(520,555)
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Net available assets	9,780,118
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Proposed percentage distribution of available assets	50%
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Proposed current distribution amount (rounded)	<u>\$ 5,000,000</u>
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Great States

3rd quarter 2006 Early Access Distribution

Analysis of available assets (detail) as of: 05/31/2006

Ref	Source	Item	Amount
A	May 06 balance sheet	Pooled investments	10,300,673
B	May 06 balance sheet	Negative cash balance: possible escheat obligation	-
	May 06 balance sheet	Secured liab	(6,099)
	May 06 balance sheet	Class 1 A/P	-
C	May 06 balance sheet	Class 1 accrued exp	(4,247)
	May 06 balance sheet	Class 1 interco payable	-
	May 06 balance sheet	Class 1 taxes payable	(9,937)
D	Calculation	Class 1 budget estimate (years) (4 times of 2006 budget per Mohsen Sultan)	(500,272)
	Estimate of future liab	Other class 2 payables (insignificant per consultation with Claims)	-
	Net available assets		<u>9,780,118</u>
	CFO/ETO	Proposed payout percentage	50%
		Proposed distribution amount	<u>4,890,059</u>
		Rounded	<u><u>5,000,000</u></u>

Exhibit B

Great States

3rd quarter 2006 Early Access Distribution

Detail of individual IGA distribution amounts

Based on a gross cumulative distribution of 40.3463%
(See separate detail of losses and credits)

IGA Full Name	Total losses	Gross cumulative distribution (40.3463%)	Total credits	Balance	Current distribution
Alabama Insurance Guaranty Association	-	-	-	-	-
Alaska Insurance Guaranty Association	-	-	-	-	-
Special Fund of the Industrial Commission of Arizona	3,205,043	1,293,117	564,557	728,560	728,560
Arizona Property/Casualty Insurance Guaranty Fund	-	-	-	-	-
Arkansas Property & Casualty Guaranty Fund	-	-	-	-	-
California Insurance Guarantee Association	10,956,190	4,420,419	2,134,738	2,285,681	2,285,681
Colorado Insurance Guaranty Association	9,841,366	3,970,629	2,147,228	1,823,401	1,823,401
Connecticut Insurance Guaranty Association	-	-	-	-	-
Delaware Insurance Guaranty Association	-	-	-	-	-
District of Columbia Insurance Guaranty Association	-	-	-	-	-
Florida Insurance Guaranty Association	-	-	-	-	-
Florida Workers' Compensation Insurance Guaranty Association	-	-	-	-	-
Georgia Insurers Insolvency Pool	-	-	-	-	-
Hawaii Insurance Guaranty Association	-	-	-	-	-
Idaho Insurance Guaranty Association	-	-	-	-	-
Illinois Insurance Guaranty Fund	304,818	122,983	68,803	54,180	54,180
Indiana Insurance Guaranty Association	-	-	25,000	(25,000)	-
Iowa Insurance Guaranty Association	-	-	-	-	-
Kansas Insurance Guaranty Fund	-	-	-	-	-
Kentucky Insurance Guaranty Association	-	-	-	-	-
Louisiana Insurance Guaranty Association	-	-	-	-	-
Maine Insurance Guaranty Association	-	-	-	-	-
Maryland Property & Casualty Insurance Guaranty Corporation	-	-	-	-	-
Massachusetts Insurer Insolvency Fund	-	-	-	-	-
Massachusetts Department of Insurance	-	-	-	-	-
Michigan Property & Casualty Insurance Guaranty Association	-	-	-	-	-
Minnesota Insurance Guaranty Association	-	-	-	-	-
Mississippi Insurance Guaranty Association	-	-	-	-	-
Missouri Insurance Guaranty Association	-	-	-	-	-
Montana Insurance Guaranty Association	-	-	-	-	-
Nebraska Property & Liability Insurance Guaranty Association	-	-	-	-	-
Nevada Insurance Guaranty Association	492,914	198,872	111,259	87,613	87,613
New Hampshire Insurance Guaranty Association	-	-	-	-	-
New Jersey Stock Workers' Compensation Security Fund	-	-	-	-	-
New Jersey Property-Liability Insurance Guaranty Association	-	-	-	-	-
New Mexico Property & Casualty Insurance Guaranty Association	3,374	1,361	210,000	(208,639)	-
New York Insurance Department - Liquidation Bureau	-	-	-	-	-

Great States

3rd quarter 2006 Early Access Distribution

Detail of individual IGA distribution amounts

Based on a gross cumulative distribution of 40.3463%
(See separate detail of losses and credits)

IGA Full Name	Total losses *	Gross cumulative distribution (40.3463%)	Total credits	Balance	Current distribution
North Carolina Insurance Guaranty Association	-	-	-	-	-
North Dakota Insurance Guaranty Association	-	-	-	-	-
Ohio Insurance Guaranty Association	-	-	-	-	-
Oklahoma Property & Casualty Insurance Guaranty Association	-	-	-	-	-
Oregon Insurance Guaranty Association	-	-	-	-	-
Pennsylvania Workers' Compensation Security Fund	-	-	-	-	-
Pennsylvania Insurance Guaranty Association	-	-	-	-	-
Rhode Island Insurers Insolvency Fund	-	-	-	-	-
South Carolina Property & Casualty Insurance Guaranty Association	-	-	-	-	-
South Dakota Insurance Guaranty Association	-	-	-	-	-
Tennessee Insurance Guaranty Association	-	-	-	-	-
Texas Property & Casualty Insurance Association	109,460	44,163	23,598	20,565	20,565
Utah Property & Casualty Insurance Guaranty Association	-	-	-	-	-
Vermont Property & Casualty Insurance Guaranty Association	-	-	-	-	-
Virginia Property & Casualty Insurance Guaranty Association	-	-	-	-	-
Washington Insurance Guaranty Association	-	-	-	-	-
West Virginia Insurance Guaranty Association	-	-	-	-	-
Wisconsin Insurance Security Fund	-	-	-	-	-
Wyoming Insurance Guaranty Association	-	-	-	-	-
TOTALS	24,913,164	10,051,544	5,285,183	4,766,361	5,000,000

* Loss information is the lower of reported UDS/FIQ data

Exhibit C

Great States
3rd quarter 2006 Early Access Distribution
Analysis of cumulative distribution percentage

	(unadjusted)		(adjusted)
	All IGAs	Excluded IGAs *	IGAs receiving distribution
Proposed current distribution amount	5,000,000	-	5,000,000
Add: existing credits and prior advances	5,285,183	235,000	5,050,183
Gross cumulative distribution amount to date	<u>\$ 10,285,183</u>	<u>\$ 235,000</u>	<u>\$ 10,050,183</u>
Evaluated IGA losses to date (losses as of 03/31/06)	24,913,164	3,374	24,909,790
Gross cumulative distribution percent to date	41.2841%	6965.7286%	40.3463%

* "Excluded IGAs" refers to those IGAs who, prior to the current distribution, have already received advances and credits that are greater than their total losses times the unadjusted gross cumulative distribution percent. The individual IGA totals can be found in the "Detail of individual IGA distribution amounts."

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ENDORSED
FILED
San Francisco County Superior Court
OCT 02 2006
GORDON PARK-LI, Clerk
BY WESLEY RAMIREZ
Deputy Clerk

8
9 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE COUNTY OF SAN FRANCISCO – UNLIMITED JURISDICTION
11

12 INSURANCE COMMISSIONER OF THE STATE
13 OF CALIFORNIA,

Applicant,

14 v.
15

16 GREAT STATES INSURANCE COMPANY, a
California domiciled insurance company,

17 Respondent.
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Case No.: 320047

PROOF OF SERVICE

DECLARATION OF SERVICE

Case: **Insurance Commissioner of the State of California v. Great States Ins. Company, a California domiciled insurance company**

No. **San Francisco County Superior Court No. 320047**

I am employed in the County of Alameda, California. I am over the age of 18 years and not a party to the within entitled cause; my business address is 1515 Clay Street, Oakland, California 94612-1413.


On **October 2, 2006**, the following document(s):

1. **Notice of Hearing on Verified Application for Order Authorizing Proposal for Second Early Distribution of Assets to State Insurance Guaranty Associations or Funds; Memorandum of Points and Authorities in Support Thereof**
2. **Verified Application for Order Authorizing Proposal for Second Early Distribution of Assets to State Insurance Guaranty Associations or Funds; Memorandum of Points and Authorities in Support Thereof**
3. **[Proposed] Order Approving Verified Application for Order Authorizing Proposal for Second Early Distribution of Assets to State Insurance Guaranty Associations or Funds**
4. **Proof of Service**

were placed for service in a sealed envelope to be delivered by mail with the United States Postal Service with prepaid postage addressed as follows:

PLEASE SEE ATTACHED PROOF OF SERVICE 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 **October 2, 2006**, at Oakland, California.



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