

### **Our Mission**

On behalf of the Insurance Commissioner, the CLO acts to rehabilitate and/or liquidate, under Court supervision, troubled insurance enterprises. The CLO operates as a fiduciary for the benefit of claimants, handling the property of the failed enterprises in a prudent, cost-effective, fair, timely, and expeditious manner.



P.O. Box 26894  
San Francisco, California  
94126-0894  
Tel: 415.676.5000  
Fax: 415.676.5002  
[www.caclo.org](http://www.caclo.org)

## **CONSERVATION & LIQUIDATION OFFICE**

December 17, 2010

### **To: All Interested Parties**

Enclosed is a Notice Of Entry Of Order To Show Cause And Motion For Order Of Liquidation And Orders And Injunctions In Aid Of Liquidation For Golden State Mutual Life Insurance Company (hereinafter, "Order to Show Cause"), filed with the Los Angeles Superior Court by Applicant Steve Poizner, Insurance Commissioner of the State of California, in his capacity as Conservator (hereinafter, "Conservator") of Golden State Mutual Life Insurance Company (hereinafter, "Golden State").

The Order to Show Cause requires all persons and entities interested or claiming to be interested in Golden State and/or this action to appear on January 28, 2011, at 9:30 a.m. in this Court, to show cause regarding why the Court should not grant the Conservator's Motion for Order of Liquidation and Orders and Injunctions in Aid of Liquidation for Golden State Mutual Life Insurance Company (hereinafter, "Liquidation Motion"). No action is required on your part if you do not oppose the Conservator's Liquidation Motion or the liquidation of Golden State.

The Conservator's Liquidation Motion is made pursuant to Insurance Code § 1010 *et seq.*, including Insurance Code §§ 1016, 1011, 1021, 1022, 1023, 1024, 1025.5 and 1037, on the grounds that the orders requested in the Liquidation Motion are appropriate and required because, pursuant to Insurance Code § 1016, the Conservator has determined that it would be futile to proceed as Golden State's Conservator since Golden State's estimated liabilities of \$9,291,895 exceed its estimated remaining assets of \$5,721,154 by over \$3 million, specifically, \$3,570,741 (\$9,291,895 - \$5,721,154), and since Golden State's insurance business has been transferred to another insurer.

Copies of the Conservator's Liquidation Motion, with supporting evidence, documents and pleadings, can be reviewed and downloaded at the Insurance Commissioner's Conservation & Liquidation Office's website at [www.caclo.org/GoldenStateMutual/LiquidationMotion](http://www.caclo.org/GoldenStateMutual/LiquidationMotion). You also can call the Conservation & Liquidation Office's toll-free telephone number 1-877-595-2379 for assistance and to request that a copy of the Liquidation Motion be mailed to you.

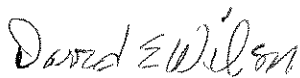
Any response or opposition, with supporting evidence, to the Order to Show Cause and/or the Conservator's Liquidation Motion shall be filed with the Los Angeles Superior Court and a copy of such response or opposition, with supporting evidence, shall be served by mail or e-mail to Golden State's attorney Michael R. Weiss on or before **January 14, 2011**. The address for Golden State's attorney Michael R. Weiss for service of any response or opposition is:

Michael R. Weiss  
Epstein Turner Weiss  
A Professional Corporation  
633 W. Fifth Street, Suite 3330  
Los Angeles, California 90071  
Telephone: (213) 861-7487  
Facsimile: (213) 861-7488  
Email: [mrw@epsteinturnerweiss.com](mailto:mrw@epsteinturnerweiss.com)

The Conservator shall file any replies, with supporting evidence, on or before **January 21, 2011**, and a copy of such reply shall be served on the responding or objecting persons or entities and posted on the above noted website.

Your continuing patience and cooperation during the conservation of Golden State is greatly appreciated.

Sincerely,



David E. Wilson  
Special Deputy Insurance Commissioner

1 EDMUND G. BROWN JR.  
 Attorney General of California  
 2 FELIX LEATHERWOOD  
 3 W. DEAN FREEMAN  
 Supervising Deputy Attorneys General  
 4 MARTA L. SMITH, State Bar No. 101955  
 Deputy Attorney General  
 5 300 South Spring Street, Room 1702  
 6 Los Angeles, California 90013  
 Telephone: (213) 897-2483  
 7 Facsimile: (213) 897-5775  
 8 E-mail: [Marta.Smith@doj.ca.gov](mailto:Marta.Smith@doj.ca.gov)

9 MICHAEL R. WEISS, State Bar No. 180946  
 EPSTEIN TURNER WEISS  
 10 A Professional Corporation  
 633 W. Fifth Street, Suite 3330  
 11 Los Angeles, California 90071  
 Telephone: (213) 861-7487  
 12 Facsimile: (213) 861-7488  
 13 Email: [mrw@epsteinturnerweiss.com](mailto:mrw@epsteinturnerweiss.com)

14 Attorneys for Applicant  
 15 Insurance Commissioner of the State of California

16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
 17 **FOR THE COUNTY OF LOS ANGELES**

19 INSURANCE COMMISSIONER OF THE  
 STATE OF CALIFORNIA,

20 Applicant,

21 v.

22 GOLDEN STATE MUTUAL LIFE  
 23 INSURANCE COMPANY, a California  
 corporation,

24 Respondent.

Case No. BS123005  
 Assigned to Hon. Ann I. Jones, Dept. 86

**NOTICE OF ENTRY OF ORDER TO  
 SHOW CAUSE AND MOTION FOR  
 ORDER OF LIQUIDATION AND  
 ORDERS AND INJUNCTIONS IN AID OF  
 LIQUIDATION FOR GOLDEN STATE  
 MUTUAL LIFE INSURANCE COMPANY  
 BY APPLICANT INSURANCE  
 COMMISSIONER**

[Filed concurrently with Memorandum,  
 Declarations and Proposed Order]

Date: January 28, 2011  
 Time: 9:30 a.m.  
 Dept: 86

1 **TO: (1) THE LOS ANGELES SUPERIOR COURT;**  
2 **(2) GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY;**  
3 **(3) ALL PERSONS AND ENTITIES KNOWN TO THE CONSERVATOR TO**  
4 **HAVE A SUBSTANTIAL UNSATISFIED CLAIM THAT MAY BE AFFECTED**  
5 **BY THE REQUESTED COURT ORDERS; AND**  
6 **(4) ALL INTERESTED PARTIES**

7 **PLEASE TAKE NOTICE** that **on January 28, 2011, at 9:30 a.m.**, or as soon thereafter  
8 as the parties may be heard, a hearing will be held in Department 86 of the Los Angeles Superior  
9 Court for the State of California, County of Los Angeles, located at 111 N. Hill Street, Los  
10 Angeles, California 90012 (“Court”), on an Order to Show Cause why the Court should not grant  
11 the Motion for Order of Liquidation and Orders and Injunctions in Aid of Liquidation for Golden  
12 State Mutual Life Insurance Company (hereinafter, “Liquidation Motion”), filed by Applicant  
13 Steve Poizner, Insurance Commissioner of the State of California, in his capacity as Conservator  
14 (“Conservator”) of Golden State Mutual Life Insurance Company (“Golden State”).

15 Copies of the Conservator’s Liquidation Motion, with supporting evidence, documents  
16 and pleadings, can be reviewed and downloaded at the Insurance Commissioner’s Conservation &  
17 Liquidation Office’s website at [www.caclo.org/GoldenStateMutual/LiquidationMotion](http://www.caclo.org/GoldenStateMutual/LiquidationMotion). You also  
18 can call the Conservation & Liquidation Office’s toll-free telephone number 1-877-595-2379 for  
19 assistance and to request that a copy of the Liquidation Motion be mailed to you.

20 The Order setting the hearing on this Order to Show Cause and the Conservator’s  
21 Liquidation Motion requires that any response or opposition, with supporting evidence, to the  
22 Order to Show Cause and Conservator’s Liquidation Motion shall be filed with the Court and  
23 served by mail or e-mail to Golden State’s attorney Michael R. Weiss on or before **January 14,**  
24 **2011**. The Conservator shall file any replies, with supporting evidence, on or before **January 21,**  
25 **2011**, and a copy of such reply shall be served on the responding or objecting persons or entities  
26 and posted on the above noted website. The address for Golden State’s attorney Michael R.  
27 Weiss for service is:

28 //

1 Michael R. Weiss  
2 Epstein Turner Weiss  
3 A Professional Corporation  
4 633 W. Fifth Street, Suite 3330  
5 Los Angeles, California 90071  
6 Telephone: (213) 861-7487  
7 Facsimile: (213) 861-7488  
8 Email: [mrw@epsteinturnerweiss.com](mailto:mrw@epsteinturnerweiss.com)

9 The Liquidation Motion and orders and injunctions requested therein concerning the  
10 requested liquidation of Golden State require the Court's approval. No action is required on your  
11 part if you do not oppose the Conservator's Liquidation Motion or the liquidation of Golden  
12 State.

13 **Requested Orders and Injunctions**

14 By this Notice and the Conservator's Liquidation Motion, the Conservator will and hereby  
15 does move the Court for the following orders and injunctions:

16 **A. Liquidation, Administration and Operation**

17 1. As of September 30, 2010, Golden State is insolvent and remains insolvent today,  
18 and it would be futile for the Commissioner to proceed as Conservator; and therefore, sufficient  
19 grounds exist in accordance with Insurance Code § 1016 for entry of an order of liquidation of  
20 Golden State. (Insurance Code § 1016.)

21 2. The Commissioner's status as Conservator is terminated, he is appointed  
22 Liquidator of Golden State as set forth in Insurance Code § 1016, and he is directed as Liquidator  
23 to liquidate and wind up the business of Golden State and to act in all ways and exercise all  
24 powers necessary for the purpose of carrying out this Order. (Insurance Code § 1016.)

25 3. Title to all of the assets of Golden State, wheresoever situated, shall remain vested  
26 in the Commissioner, now as Liquidator, or his successor in office, in his official capacity as  
27 such, including without limitation real and personal property, deposits, certificates of deposit,  
28 bank accounts, mutual funds, securities, contracts, rights of actions, books, records and other  
assets of any and every type and nature, wheresoever situated, presently in Golden State's  
possession and/or those which may be discovered hereafter. (Insurance Code §§ 1011, 1016 and  
1037 General Powers.)

1           4.       All funds and assets, including without limitation deposits, certificates of deposit,  
2 bank accounts, securities, and mutual fund shares of Golden State, in various financial depository  
3 institutions, including without limitation banks, savings and loan associations, industrial loan  
4 companies, mutual funds and/or stock brokerages, wheresoever situated, are subject to withdrawal  
5 only upon direction or order by the Liquidator. (Insurance Code §§ 1011, 1016 and 1037 General  
6 Powers.)

7           5.       The Liquidator is authorized to collect all moneys due to Golden State, and to do  
8 such other acts as are necessary or expedient to collect, conserve, protect and/or liquidate Golden  
9 State's assets, property and business. (Insurance Code § 1037(a).)

10          6.       The Conservator is authorized to collect all debts due and claims belonging to  
11 Golden State and to have the authority to sell, compound, compromise, or assign, for the purpose  
12 of collection upon such terms and conditions as the Liquidator deems best, any bad or doubtful  
13 debts. (Insurance Code § 1037(b).)

14          7.       The Liquidator is authorized to compound, compromise or in any other manner  
15 negotiate settlements of claims against Golden State upon such terms and conditions as the  
16 Liquidator shall deem to be most advantageous to the estate of Golden State. (Insurance Code §  
17 1037(c).)

18          8.       The Liquidator is authorized, without permission of the court and without notice,  
19 to acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of  
20 or deal with, any real or personal property of Golden State at its reasonable market value, or, in  
21 cases other than acquisition, sale, or transfer on the basis of reasonable market value, upon such  
22 terms and conditions as the Liquidator may deem proper, provided the market value of the  
23 property involved does not exceed the sum of twenty thousand dollars (\$20,000). (Insurance  
24 Code § 1037(d).)

25          9.       The Liquidator is authorized to transfer to a trustee or trustees, under a voting trust  
26 agreement, the stock of Golden State heretofore or hereafter issued to the Liquidator in  
27 connection with a rehabilitation or reinsurance agreement, or any other proceeding under  
28 Insurance Code § 1010 *et seq.* (Insurance Code § 1037(e).)

1           10.     The Liquidator is authorized, for the purpose of executing and performing any of  
2 the powers and authority conferred upon the Liquidator under Insurance Code § 1010 *et seq.*, in  
3 the name of Golden State or in the Liquidator's own name, to initiate, prosecute and/or defend any  
4 and all suits and other legal proceedings, legal or equitable, and to execute, acknowledge and  
5 deliver any and all deeds, assignments, releases and other instruments necessary and proper to  
6 effectuate any sale of any real and personal property or other transaction in connection with the  
7 administration, liquidation or other disposition of the assets of Golden State, in this or other states  
8 as may appear to him necessary to carry out his functions as Liquidator. (Insurance Code §  
9 1037(f) and 1037 General Powers.)

10           11.     The Liquidator is authorized to divert, take possession of and secure all mail of  
11 Golden State and to effect a change in the rights to use any and all post office boxes and other  
12 mail collection facilities used by Golden State. (Insurance Code §§ 1011 and 1037 General  
13 Powers.)

14           12.     The Liquidator is authorized, without permission of the court and without notice,  
15 to invest and reinvest, in such manner as the Liquidator may deem suitable for the best interests of  
16 the policyholders and/or creditors of Golden State, such portions of the funds and assets of  
17 Golden State in his possession as do not exceed the amount of the reserves required by law to be  
18 maintained by Golden State as reserves for life insurance policies, annuity contracts,  
19 supplementary agreements incidental to life business, and reserves for non-cancelable disability  
20 policies, and which funds and assets are not immediately distributable to creditors, provided the  
21 investment or reinvestment to be made does not exceed the sum of one hundred thousand dollars  
22 (\$100,000), except that the Liquidator, without permission of the court and without notice, may  
23 make investments or reinvestments in excess of \$100,000, but not exceeding \$5,000,000 per  
24 investment or reinvestment, if such investments or reinvestments are part of Golden State's  
25 existing investments or are made pursuant to the investment guidelines of the Commissioner's  
26 Conservation & Liquidation Office including investments and reinvestments through an  
27 investment pool consisting exclusively of assets from conserved and/or liquidating estates.  
28 (Insurance Code § 1037(g) and General Powers.)

1           13.     The Liquidator is authorized, in his discretion, without permission of the court and  
2 without notice, to pay or defer payment of some or all claims, expenses, liabilities and/or  
3 obligations of Golden State, in whole or in part, accruing prior and/or subsequent to his  
4 appointment as Liquidator. (Insurance Code §§ 1011 and 1037 General Powers.)

5           14.     The Liquidator is authorized to appoint and employ under his hand and official  
6 seal, special deputy commissioners and/or legal counsel, as his agents, and to employ clerks  
7 and/or assistants, and to give to each of them those powers that the Liquidator deems necessary.  
8 (Insurance Code §§ 1035(a) and 1036.)

9           15.     The Liquidator is authorized to fix the costs of employing special deputy  
10 commissioners, legal counsel, clerks, and/or assistants, and all expenses of taking possession of,  
11 conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and  
12 property of Golden State, subject to the approval of the court, and to pay such costs out of the  
13 assets of Golden State to the Liquidator and others including without limitation expenses, expense  
14 allocations, administrative costs, administrative overhead, and costs incurred and/or allocated by  
15 the Conservation & Liquidation Office, and if there are insufficient funds to pay such costs, then  
16 to pay such costs out of the Insurance Fund pursuant to Insurance Code § 1035. (Insurance Code  
17 §§ 1035(a), 1036 and 1037 General Powers.)

18           16.     The Liquidator is authorized to assume or reject, or to modify, any executory  
19 contract, including without limitation, any lease, rental or utilization contract or agreement  
20 (including any schedule to any such contract or agreement), and any license or other arrangement  
21 for the use of computer software of business information systems, to which Golden State is a  
22 party or as to which Golden State agrees to accept an assignment of such contract, not later than  
23 120 days of the date of the Order Appointing Conservator, unless such date is extended by  
24 application to and further order of this Court, and if not expressly assumed by the Conservator  
25 within that time then such executory contract is deemed rejected. (Insurance Code § 1037  
26 General Powers.)

27           17.     The Liquidator is authorized to terminate compensation arrangements with  
28 employees, to enter into new compensation arrangements with employees including arrangements



1 containing retention incentives, and to hire employees on such terms and conditions as he deems  
2 reasonable. (Insurance Code § 1037 General Powers.)

3 18. The Liquidator is vested with all the powers of the directors, officers and managers  
4 of Golden State, whose authorities are suspended except as such powers may be re-delegated by  
5 the Liquidator. (Insurance Code § 1037 General Powers.)

6 **B. Injunctions and Other Orders**

7 19. Except upon the express authorization of the Liquidator, all persons are hereby  
8 enjoined, including without limitation Golden State and its officers, directors, agents, servants,  
9 and employees, from the transaction of Golden State's business or disposition of its property  
10 including without limitation from disposing of, using, transferring, selling, assigning, canceling,  
11 alienating, hypothecating or concealing in any manner or any way, or assisting any person in any  
12 of the foregoing, of the property or assets of Golden State or property or assets in the possession  
13 of Golden State, of any nature or kind, including without limitation claims or causes of action,  
14 until further order of this Court and further, enjoining such persons from obstructing or interfering  
15 with the Liquidator's conduct of his or her duties as Liquidator. (Insurance Code §§ 1011, 1020  
16 and 1037.)

17 20. All persons are enjoined from instituting or prosecuting or maintaining any action  
18 at law or suit in equity including without limitation actions or proceedings to compel discovery or  
19 production of documents or testimony, and matters in arbitration, and from obtaining or  
20 attempting to attain preferences, judgments, foreclosures, attachments or other liens of any kind  
21 or nature, against Golden State, its assets, or the Liquidator, and from attaching, executing upon,  
22 foreclosing upon, redeeming of, making levy upon, or taking any other legal proceedings against  
23 any of the property and/or assets of Golden State, and from doing any act interfering with the  
24 conduct of said business by the Liquidator, except after an order from this Court obtained after  
25 reasonable notice to the Liquidator. (Insurance Code §§ 1011, 1020 and 1037 General Powers.)

26 21. All persons are enjoined from the sale or deed for nonpayment of taxes or  
27 assessments levied by any taxing agency of property and/or assets of Golden State. (Insurance  
28 Code § 1020(f).)

1           22.     Except with leave of court issued after a hearing in which the Liquidator has  
2 received reasonable notice, all persons are enjoined from accelerating the due date of any  
3 obligation or claimed obligation, exercising any right of set-off, taking, retaining, retaking or  
4 attempting to retake possession of any real or personal property, withholding or diverting any rent  
5 or other obligation, and doing any act or other thing whatsoever to interfere with the possession of  
6 or management by the Liquidator of the property and assets, owned or controlled, by Golden State  
7 or in the possession of Golden State or in any way interfering with the Liquidator or interfering in  
8 any manner during the pendency of this proceeding with the exclusive jurisdiction of this Court  
9 over Golden State. (Insurance Code §§ 1020 and 1037 General Powers.)

10           23.     All persons are enjoined from the waste of the assets of Golden State. (Insurance  
11 Code § 1020.)

12           24.     Golden State and all officers, directors, agents and employees of Golden State are  
13 ordered to deliver to, and immediately make available to, the Liquidator all assets, books,  
14 accounts, records, information, computers, tapes, discs, writings, other recordings of information,  
15 equipment and other property of Golden State, wheresoever situated, in said person's custody or  
16 control and further, and are directed the aforesaid to disclose verbally, or in writing if requested  
17 by the Liquidator, the exact whereabouts of the foregoing items if such items are not in the  
18 possession, custody or control of said persons. (Insurance Code §§ 1011, 1016, 1020 and 1037  
19 General Powers.)

20           25.     Golden State and all officers, directors, trustees, employees or agents of Golden  
21 State, or any other person, firm, association, partnership, corporate parent, holding company,  
22 affiliate or other entity in charge of any aspect of Golden State's affairs, either in whole or in part,  
23 and including but not limited to banks, savings and loan associations, financial or lending  
24 institutions, brokers, stock or mutual associations, or any parent, holding company, subsidiary or  
25 affiliated corporation or any other representative acting in concert with Golden State, are ordered  
26 to cooperate with the Liquidator in the performance of his or her duties. (Insurance Code § 1037  
27 General Powers.)  
28

1           26. All persons who maintain records for Golden State, pursuant to written contract or  
2 any other agreement, are ordered to maintain such records and to deliver to the Liquidator such  
3 records upon his request. (Insurance Code §§ 1020 and 1037 General Powers.)

4           27. All agents of Golden State, and all brokers who have done business with Golden  
5 State, are ordered to make all remittances of all funds collected by them or in their hands directly  
6 to the Liquidator. (Insurance Code §§ 1020 and 1037 General Powers.)

7           28. All persons having possession of any lists of policyholders, escrow holders,  
8 mortgages or mortgagees of Golden State are ordered to deliver such lists to the Liquidator and all  
9 persons are enjoined from using any such lists or any information contained therein without the  
10 consent of the Liquidator. (Insurance Code §§ 1020 and 1037 General Powers.)

11           29. Golden State and its officers, directors, agents, servants, employees, successors,  
12 assigns, affiliates, and other persons or entities under their control and all persons or entities in  
13 concert or participation with Golden State, and each of them, are ordered to turn over to the  
14 Liquidator all records, documentation, charts and/or descriptive materials of all funds, assets,  
15 property (owned beneficially or otherwise), and all other assets of Golden State wherever situated,  
16 and all books and records of accounts, title documents and other documents in their possession or  
17 under their control, which relate, directly or indirectly, to assets or property owned or held by  
18 Golden State or to the business or operations of Golden State. (Insurance Code §§ 1020 and 1037  
19 General Powers.)

20           30. Any and all provisions of any agreement entered into by and between any third  
21 party and Golden State, including by way of illustration, but not limited to, the following types of  
22 agreements (as well as any amendments, assignments, or modifications thereto), are stayed, and  
23 the assertion of any and all rights and remedies relating thereto are also stayed and barred, except  
24 as otherwise ordered by this Court, and this Court shall retain jurisdiction over any cause of action  
25 that has arisen or may otherwise arise under any such provision: financial guarantee bonds,  
26 promissory notes, loan agreements, security agreements, deeds of trust, mortgages,  
27 indemnification agreements, subrogation agreements, subordination agreements, pledge  
28 agreements, assignments of rents or other collateral, financial statements, letters of credit, leases,

1 insurance policies, guaranties, escrow agreements, management agreements, real estate brokerage  
2 and rental agreements, servicing agreements, attorney agreements, consulting agreements,  
3 easement agreements, license agreements, franchise agreements, or employment contracts that  
4 provide in any manner that selection, appointment or retention of a conservator, receiver or trustee  
5 by any court, or entry of any order such as hereby made, shall be deemed to be, or otherwise  
6 operate as, a breach, violation, event of default, termination, event of dissolution, event of  
7 acceleration, insolvency, bankruptcy, or liquidation. (Insurance Code §§ 1020 and 1037 General  
8 Powers).

9 **C. Creditors and Setting of Claims Bar Date**

10 31. The rights and liabilities of claimants, policyholders, shareholders, members and  
11 all other persons interested in the assets of Golden State are fixed as of the date of entry of the  
12 Order. (Insurance Code § 1019.)

13 32. Any and all claims against Golden State, including without limitation those claims  
14 which in any way affect or seek to affect any of the assets of Golden State, wherever or however  
15 such assets may be owned or held, must be filed no later than December 31, 2011 (the “Claims  
16 Bar Date”), together with proper proofs thereof, in accordance with the provisions of Insurance  
17 Code § 1010 *et seq.* including without limitation Insurance Code § 1023. The proof of claim must  
18 be timely filed on the form provided by the Liquidator, together with proper proofs thereof, and  
19 must be supplemented with such further information as the Liquidator requests, in accordance  
20 with § 1023(f). Except for persons deemed to have filed claims against Golden State in  
21 accordance with the provisions of Insurance Code § 1010 *et seq.* including without limitation  
22 Insurance Code § 1024 and § 1025.5, any claims not filed by the Claims Bar Date shall be  
23 conclusively deemed forever waived. (Insurance Code § 1024.)

24 33. For such other and further relief as may be proper or necessary.

25 34. The Liquidator is authorized to take any and all action necessary to accomplish the  
26 purposes of this Order and the Orders requested herein.

27 //

28 //

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Grounds for Liquidation Motion**


The Conservator's Liquidation Motion is made pursuant to Insurance Code § 1010 *et seq.*, including without limitation, Insurance Code §§ 1016, 1011, 1021, 1022, 1023, 1024, 1025.5 and 1037, on the grounds that the requested orders are appropriate and required because, pursuant to Insurance Code § 1016, the Conservator has determined that it would be futile to proceed as Conservator since Golden State's estimated liabilities of \$9,291,895 exceed its estimated remaining assets of \$5,721,154 by over \$3 million, specifically, \$3,570,741 (\$9,291,895 - \$5,721,154), and since its insurance business has been transferred to another insurer.

The Conservator's Liquidation Motion is based on this Notice, the Memorandum of Points and Authorities and Declarations of David E. Wilson and Michael R. Weiss filed concurrently with this Notice and which can be reviewed and downloaded at the Insurance Commissioner's Conservation & Liquidation Office's website at [www.caclo.org/GoldenStateMutual/LiquidationMotion](http://www.caclo.org/GoldenStateMutual/LiquidationMotion), the pleadings and papers on file in this action, all documents and other evidence submitted in this action, and on such oral and/or documentary evidence and/or arguments which may be presented at the hearing on this application.

DATE: December 16, 2010

EDMUND G. BROWN JR.  
Attorney General of California  
FELIX LEATHERWOOD  
W. DEAN FREEMAN  
Supervising Deputy Attorneys General  
MARTA L. SMITH  
Deputy Attorney General

EPSTEIN TURNER WEISS  
A Professional Corporation

By:   
MICHAEL R. WEISS  
Attorneys for Applicant  
INSURANCE COMMISSIONER OF THE  
STATE OF CALIFORNIA