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David W. Slayton,  
Executive Officer/Clerk of Court,  
By V. Sino-Cruz, Deputy Clerk

8 *Attorneys for Petitioner Insurance Commissioner of*  
9 *the State of California, in his capacity as the*  
10 *Liquidator of Western General Insurance Company*

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
12 COUNTY OF LOS ANGELES  
13 CENTRAL DISTRICT

14 **INSURANCE COMMISSIONER OF THE**  
15 **STATE OF CALIFORNIA,**

16 Petitioner,

17 v.

18 **WESTERN GENERAL INSURANCE**  
19 **COMPANY, a California corporation,**

20 Respondent

Case No. 21STCP01655

**DECLARATION OF SCOTT PEARCE IN  
SUPPORT OF MOTION FOR ORDER  
APPROVING LIQUIDATOR'S (1)  
PAYMENT OF ADMINISTRATIVE AND  
PROFESSIONAL FEES AND EXPENSES  
FOR THE PERIOD OF JANUARY 1,  
2022, TO OCTOBER 31, 2022 AND (2)  
APPROVAL TO DESTROY LEGACY  
RECORDS**

21 Date: November 1, 2023

22 Time: 8:30 a.m.

23 Dept: 39

Judge: Hon. Stephen I. Goorvitch

Action Filed: May 26, 2021

24 Reservation ID: 004047829279

1 I, Scott Pearce, declare:

2 1. I am the Sr. Estate Trust Officer of the Conservation and Liquidation Office (CLO),  
3 which the Insurance Commissioner (Commissioner) is using to conduct the liquidation of  
4 Western General Insurance Company (Western General). In that capacity, I was appointed  
5 Liquidation Manager of Western General and I am familiar with the conservation and the  
6 continuing liquidation of Western General. I have personal knowledge of the facts recited herein,  
7 and if called and sworn, would competently so testify.

8 2. On August 5, 2021, this Court entered an order of liquidation finding Western  
9 General to be statutorily insolvent. Since that time, the Commissioner and the CLO have been  
10 engaged in liquidating and winding-up the remaining business and affairs of Western General.

11 3. Western General's fees and expenses concern the Commissioner's continuing efforts  
12 to marshal and manage Western General's assets, to investigate and collect the liabilities owed to  
13 it by third parties, and to dispose and otherwise deal with Western General's assets and  
14 obligations. The fees and expenses for the period January 1, 2022 through October 31, 2022 (the  
15 "Second Reporting Period"), which total \$5,173,678 fall into two broad categories: 1) \$1,135,938  
16 for the CLO allocated administrative operating and staffing fees; and 2) \$4,037,740 for direct  
17 estate operating expenses paid by Western General or the CLO during the Second Reporting  
18 Period. Attached hereto as Exhibit A is a spreadsheet summarizing these expenses.

19 4. CLO allocated administrative and staffing fees are overhead costs that the CLO incurs  
20 for rent, salaries, email and data systems, etc., which it allocates to each conservation or  
21 liquidation estate under its management and oversight on a pro rata basis. The CLO is comprised  
22 of insurance insolvency professionals who oversee the liquidation of troubled insurance  
23 companies, and who provide estate administrative services directly to each estate under CLO's  
24 management and oversight.

25 5. Each conservation or liquidation estate is charged a portion of the monthly allocated  
26 costs based on the amount of time that the CLO employees worked on estate matters. To track the  
27 hours and costs, the CLO maintains a timekeeping system in which each employee records time  
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1 spent for work on each estate, and the estate trust manager reviews the records to ensure that the  
2 hours are accurate and billed to the correct estate.

3 6. During the Second Reporting Period, the CLO on behalf of Western General incurred  
4 4,543.75 direct hours out of 26,559 total CLO hours or approximately 17% percent of the total  
5 direct hours of all insolvent insurer estates. Western General's portion of the CLO's allocated  
6 costs for the Second Reporting Period based on 4,543.75 hours was \$1,135,938. The CLO  
7 allocated hours and costs for the Western General estate were spread between the following five  
8 CLO departments:

<b>Departments</b>	<b>Total No. of Hours</b>	<b>Total Fees by Dept.</b>
Estate Trust & Executive	1,270.00	\$ 317,500
Claims	1,683	\$ 420,750
IT & Admin.	1,416.50	\$ 354,125
Finance & Accounting	40.25	\$ 10,063
Reinsurance	134	\$ 33,500
<b>Total</b>	<b>4,543.75</b>	<b>\$1,135,938</b>

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16 7. The Estate Trust and Executive Departments (together the "Estate Trust Department")  
17 is responsible for the overall administration and management of Western General. The  
18 department coordinates and directs the activities of the other CLO departments and their  
19 resources utilized in furthering Western General's plan of liquidation.

20 8. During the Second Reporting Period, the Estate Trust Department worked primarily  
21 on continuing to manage the estate's daily run-off operations as well as work weekly to plan and  
22 advance the transition of the entire local liquidation operation from its office in north Los Angeles  
23 to the CLO's office in San Francisco. Consistent with the prior reporting period the department  
24 continues to monitor and direct the on-going claims run-off through the participating IGAs,  
25 monitor and support the periodic preparation of reinsurance billings/collections as well as address  
26 any disputes between the parties within the reinsurance program.  
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1           9. The Estate Trust Department continued to manage Western General’s reporting,  
2 specifically the preparation of monthly financial records. The department, with the assistance of  
3 accounting consultants, managed the 2022 review of the estate’s Agreed Upon Procedures by a  
4 third party audit firm. Further, the department coupled with the help of some retained staff  
5 managed the process of terminating all remaining employees and closing the estate’s human  
6 resources department.

7           10. Going forward Estate Trust will continue to have weekly responsibility to manage the  
8 liquidation to closure including time-sensitive work to transfer all participants and ultimately  
9 decommission the Western General 401K plan over the next year. As described above, the  
10 department devoted significant time and effort in 2022 implementing the relocation plan and  
11 transitioning the entire liquidation estate to San Francisco for the balance of the run-off. All  
12 ongoing work processes of the estate had to be assessed for completion, transfer or  
13 discontinuation. Both the Estate Trust Department and Admin/IT also took the lead in clearing,  
14 preparing and returning the office space back to the landlord which was completed by March 31,  
15 2022.

16           11. The Liquidation Order required the Commissioner to mail a Proof of Claim (“POC”)  
17 notice and packet to all known creditors advising them of their legal right to submit a POC to the  
18 CLO for recovery from Western General. Upon the receipt of timely, responsive POCs, the  
19 Claims Department has developed and maintains a database containing all POCs issued to  
20 potential creditors for determination and administration. The Liquidator has received 2,087 timely  
21 received POCs. 1,912 are insurance policy related, 173 are general creditor demands and two are  
22 shareholder claims. All timely received POCs have been initially reviewed for completeness and  
23 priority classification.

24           12. The CLO claims department has started the process of first considering each  
25 policyholder class POC to ensure any received that seek coverage benefits already paid or to be  
26 paid by the participating guaranty associations are identified and denied. From this group only  
27 policy-related POCs seeking liquidated damages in excess of the guaranty fund’s statutory cap  
28 will be considered for “over-cap” approval – that amount of damages incurred above the

1 \$500,000 statutory limit on guaranty fund coverage per claim. Other than properly documented  
2 damages in excess of the \$500,000 IGA limit, the balance of the POCs will be denied as the  
3 policy benefits are or will be provided by the participating IGA. The Class 2 review process is in  
4 its early stages and will require most of 2023 to largely determine the estate's claimed policy and  
5 creditor liability. Once all Class 2 (policyholder class) POCs are reviewed and determined, the  
6 Claims Department will work sequentially down through the priority classes. The Claims  
7 Department will only consider priority classes of creditors where that class of creditor has a likely  
8 prospect to participate in a distribution of estate assets. It is not clear at the present if the estate  
9 will recover sufficient assets to pay through all of the Class 2 policyholder class of creditors.

10 13. In addition to the initial set-up and review of the POCs, a priority for 2022 was the  
11 processing of subrogation claims and billing for subrogation recoveries. Most of the participating  
12 IGAs do not honor and are exempted by law from third-party subrogation demands, as such the  
13 IGAs do not pursue subrogation recoveries either. During the Second Reporting Period, the  
14 Western General estate and its claims staff were managing 689 subrogation files. 152 cases were  
15 managed in-house by retained consultants and CLO employees and will be transferred to a third-  
16 party vendor in early 2023. The other 537 subrogation files have already been placed with legal  
17 collection entities.

18 14. In addition to the subrogation recovery efforts, the claims department also managed  
19 the vehicle salvage process. Commencing the Second Reporting Period there were 123 vehicles  
20 pending final salvage. 16 of those vehicles were for claims paid by Western General and  
21 generated no recovery to the estate. The balance of 107 salvaged vehicles are awaiting settlement  
22 by the participating guaranty associations (predominantly CIGA). There are no remaining open  
23 salvage files associated with any claims paid by Western General pre-liquidation.

24 15. Western General collected approximately \$200,000 in subrogation and salvage  
25 recoveries during the Second Reporting Period. The Claims Department continues to provide  
26 daily claims handling support and documentation to the participating IGAs. It is not anticipated  
27 that the Claims department will establish the estate's ultimate creditor liability until late in 2023  
28 once all POC determinations are made and a better estimate of available assets is developed.

1 Thereafter the department together with the Estate Trust Department will seek approval of a plan  
2 to distribute Western General's available assets to creditors. The Claims Department continues to  
3 provide assistance to individual claimants in working through the liquidation process. (*Ibid.*)

4 16. The Information Technology (IT) Department at the CLO oversees the on-site  
5 management of Western General's technology and data infrastructure such as email, phone, video  
6 communications and imaging systems. The IT Department together with retained employees and  
7 consultants continue to work with the participating IGAs now paying Western General's covered  
8 claims by assisting in periodic data transfers, file clean up and programming as well as providing  
9 requested documentation and or research. The IT staff will continue to process the quarterly  
10 claims data and expense feeds from the various guaranty entities paying Western General's  
11 covered claims for use in preparing the estates reporting and financials as well as processing  
12 reinsurance. In addition to the coordination with the IGAs, the IT Department with the help of  
13 retained consultants is also programming and populating the CLO's electronic repository (GOLD  
14 system) with Western General paid claim data and documentation. The database is used to  
15 support the claims handling run off, POC approvals and eventually provides the necessary  
16 information to develop and complete a distribution of assets to creditors.

17 17. In addition to the monthly work described above, the IT Department together with  
18 Estate Trust Department manage the office facilities of Western General. The department also  
19 coordinates any issues or needs associated with the short-term sublease described in the  
20 Liquidator's first status report, and recently worked with the sub-tenant to secure a longer term  
21 lease directly with the landlord thereby eliminating the sublease relationship to Western General.  
22 The IT department played a major role in helping the Estate Trust Department develop,  
23 implement and complete the relocation of the liquidation estate to the CLO offices in late 2022.  
24 As part of that work, a number of remote users had to be established and supported and the  
25 remaining Western General systems critical to a successful run-off were relocated to a colocation  
26 site in north Los Angeles. The building has been cleared entirely, cleaned and returned to the  
27 landlord timely. In addition to the routine monthly systems maintenance and user support, the IT  
28 Department will continue to support Western General's distribution work, reinsurance billings

1 and POC process by collecting, organizing and reporting the loss and loss adjustment expense  
2 data associated with the participating IGA's and loading the data into the GOLD System. This  
3 quarterly process of loading paid data will likely go on for a couple of years.

4 18. During the Second Reporting Period Western General continued to rely upon the  
5 retained accounting staff of the company supplemented with consultants to manage all financial  
6 aspects of the estate. The retained Western General accounting staff under the direction of the  
7 CLO and their consultants commenced the process of transitioning both the management of the  
8 general ledger and the treasury function to the CLO. The department has completed the transition  
9 of the general ledger, accounts payable and the Western General treasury to the CLO. To  
10 complete the transition on or about year-end 2022 the Western General estate stopped processing  
11 accounts payable and redirected that function as well as accounts receivable to the CLO in  
12 November 2022.

13 19. Currently, the department is working through a review and assessment of the loading  
14 balances transferred to the CLO system. This process will take some time to ensure the  
15 conversion of the accounts from a statutory basis of reporting to a liquidation/cash basis going  
16 forward are supported. Thereafter the CLO will have their auditors review the 2022 year-end  
17 ledgers likely in June of 2023. As of this writing the CLO has absorbed the preparation of all  
18 accounting entries, schedules and work papers for Western General as well as the reconciliation  
19 of all cash receipts and disbursements of the estate going forward. Once the department completes  
20 its review of the loading balances and any necessary restatement, the department will produce  
21 financial reports for the Western General estate as needed. Also, the CLO accounting staff with  
22 the assistance of Estate Trust Department and a retained consultant managed the 2022  
23 independent review of Western General's agreed upon procedures as well as asset confirmations  
24 and paid expense support by the estate's independent auditors. This review conducted through  
25 October 31, 2022 to allow sufficient time to make all the necessary operational transitions by  
26 year-end 2022. The CLO accounting department in San Francisco has taken responsibility for all  
27 financial aspects of the liquidation estate going forward to conclusion.  
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1           20. For the Second Reporting Period the Commissioner and the CLO largely relied upon  
2 consultants to continue to assess and manage the estate's reinsurance programs. During this time  
3 the CLO reinsurance staff have also become increasingly more involved in the preparation,  
4 review and collection of Western General's reinsurance billings. While this transition advances  
5 the estate will use consultants to continue to help compile and prepare the necessary premium,  
6 loss and loss expense data, while the CLO reinsurance staff work to assume that work with the  
7 continuing assistance (as needed) of third party consultants. The CLO reinsurance staff is making  
8 progress towards managing the entire billing and collection process and will work to address any  
9 inquiries and issues raised by the reinsurers. It is anticipated the estate will have the entire  
10 reinsurance processing function within the CLO by year-end 2023 if not sooner.

11           21. Western General continued to use the services of legal consultants for advice and  
12 interpretation of reinsurance treaty terms and conditions associated with disputed balances due  
13 the liquidation estate.

14           22. During the Second Reporting Period, the Western General estate has prepared  
15 quarterly reinsurance billings through September 30, 2022 to its primary reinsurers. The  
16 September billing was released in early December 2022. Two of the three primary reinsurers will  
17 owe approximately 80% of all claims paid in potential recoveries (Partner Re and Maiden Re).  
18 The third reinsurer is a small group comprised of three participants. The billing to the group  
19 members is processed through a managing general agency called Suncoast. This reinsurer group  
20 is expected to pay 100% of the paid losses and expenses subject to contractual off-sets and billing  
21 disputes. Since conservation of Western General in late May 2021 the estate has collected  
22 approximately \$6.6 million in recoveries from two of the reinsurers. The Suncoast managed  
23 program has been delayed in processing its 2021 and 2022 reinsurance billings due to continuing  
24 data impediments/issues and a lack of cooperation by the Suncoast entity. After making repeated  
25 demands over the last two years for Suncoast to process the necessary loss data and prepare the  
26 overdue billings to the reinsurers, the Liquidator has finally received indication Suncoast is  
27 making progress but is still working through some reconciling errors in the loss data. The  
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1 Liquidator is now monitoring Suncoast's progress weekly and hopes to have the tardy billings  
2 processed for review and release within the next quarter.

3 23. Going forward Western General will continue to rely on quarterly claims data feeds  
4 from the IGAs to prepare the reinsurance billings.

5 24. In addition to the CLO's Allocated Expenses described above Western General also  
6 incurred direct operating costs that were paid directly out of estate assets or directly by the CLO.  
7 These direct expenses, which were paid primarily to third-party product and service vendors, a  
8 landlord, consultants, contractors, retained Western General employees, and for the overall costs  
9 of operation of the Western General home office in Calabasas, California, were necessary to the  
10 successful administration of the Western General estate through the Second Reporting Period or  
11 October 31, 2022. For the Second Reporting Period, these fees and expenses totaled \$4,037,740.

12 25. Historically, and prior to its conservation in May of 2021, Western General used the  
13 contracted services and staff provided by its affiliate agency All Motorist Insurance Agency  
14 (AMIA) in accordance with a formal agency agreement. During Western General's conservation  
15 the Commissioner negotiated the transfer of all essential staff, contracts, assets and systems from  
16 AMIA to Western General. Under this arrangement Western General only pays for the actual  
17 costs of the essential services and personnel in lieu of the claims handling and service fees  
18 traditionally charged by AMIA. Further, by taking on the direct expense and maintaining only the  
19 necessary level of staff, systems and services the estate made a significant reduction to its  
20 monthly overhead expense. The CLO has now completed the transition of the Western General  
21 estate into the CLO offices in San Francisco.

22 26. The Western General estate concluded 2022 with 9 full-time employees. Over the  
23 course of the Second Reporting Period the estate released 26 full-time employees. The  
24 Commissioner has made arrangements to retain 7 of the 9 local full-time employees under short-  
25 term consultancy agreements to allow for the completion of certain projects and transition  
26 activities. All 7 of the consultants will support the liquidation estate remotely during their  
27 remaining tenure. All of the staff being retained as consultants possess institutional knowledge  
28 and can provide continuity and efficiency to the transition and/or closure of essential functional

1 areas. Those areas will include data management and reporting (IT); claims and subrogation;  
2 reinsurance and human resources.

3 27. In addition to the 7 retained consultants Western General will continue to rely upon 2  
4 accounting consultants (on a much reduced basis) and 1 local network consultant (all three  
5 consultants having been already engaged by the estate) to assist in completing the full transition  
6 of the remaining local estate work by the end of 2023. As work is resolved, discontinued, or  
7 moved to the CLO for handling all local Western General consultants will be released based on  
8 need. The total amount of compensation/benefits paid to retained employees of Western General  
9 as well as payroll related expenses (group medical and payroll taxes) paid on behalf of the  
10 retained employees during the Second Reporting Period was \$2,290,586. (*Ibid.*) In addition to  
11 their normal pay and benefits, the final payments to the 26 terminated Western General  
12 employees include both unused PTO and any accrued paid leave as well as the retention payments  
13 offered by the Commissioner to incent the employees to remain through the final transition and  
14 closure of the local office.

15 28. In addition to the 7 employees and their transition to short term consultancy status, as  
16 discussed above, Western General continued to incur additional consulting and other professional  
17 fees in connection with the services of accounting, taxation, reinsurance and technology  
18 professionals. The continuing services were hired or retained to support and maintain the estate's  
19 legacy accounting and treasury systems through their transition to the CLO, conduct agreed upon  
20 procedures review of the estate's financial statements, continue to provide network infrastructure  
21 and web hosting/security services, federal and state tax preparation and filings in accordance with  
22 Western General's continued participation in the Western General Holdings, Inc.'s tax sharing  
23 agreement and consolidated tax filings and finally accounting and reinsurance assistance in  
24 preparation and collection of quarterly billings. Western General continued to use the services of  
25 its historical audit and tax consultants and worked with a reinsurance consultant to provide advice  
26 on contract interpretation and dispute analysis. The amount paid to the firms and individuals  
27 described in the preceding paragraph totaled \$430,629.

1           29. For the majority of the Second Reporting Period Western General continued to rely  
2 upon its comprehensive legacy general ledger and policy administration systems to maintain,  
3 prepare and run off the book of business. The estate has commenced the process of scaling down  
4 and decommissioning both system as the estate works to consolidate all operations into the CLO  
5 offices. As previously reported, Western General operated two separate policy administration  
6 systems and comprehensive general ledger/treasury accounting software to manage the business.  
7 All the systems maintained by Western General have various licensing and application/service  
8 fees for peripheral services and amenities associated with the various insurance programs  
9 previously offered by the company. The estate continues to maintain only the essential system  
10 components and continues to assess needs and will continue to terminate or discontinue any non-  
11 essential services and support. Western General paid \$247,520 in software and licensing fees.

12           30. From January 1 through October 31, 2022, Western General continued to incur  
13 leasehold expenses to maintain its secure work environment in Calabasas to continue the run off  
14 of claims and processing of reinsurance. As reported prior the Commissioner relocated local  
15 Western General's local operations to a much reduced workspace in the same office building the  
16 company had been located at in Calabasas. After formally rejecting the original office lease  
17 comprised of approximately 35,000 square, the Western General estate occupied a 10,000 square  
18 foot office lease through October 2022 to complete the balance of the local run-off work in  
19 Calabasas. To help reduce the estate's rent expense, the Western General estate granted a  
20 sublease of approximately 4,000 square feet to a credit worthy subtenant and collected  
21 approximately \$10,000 a month in sub-rent for the ten months through October 2022. The estate  
22 also wrote off a \$160,000 security deposit originally held by the landlord and associated with the  
23 original lease that the estate rejected in 2021. In addition to basic rent the estate paid its  
24 proportionate share of common area maintenance charges. The total rent and related expenses  
25 (net of the sub-rent received and the security deposit write-off) incurred during the Second  
26 Reporting Period is \$401,982.

27           31. The Liquidator continued to incur and pay ongoing general office and business  
28 support expenses, including \$200,191 in telephone, internet, office equipment/supplies, postage

1 for periodic correspondence and other notices, \$121,480 in banking/treasury related fees, and fees  
2 paid to store and retrieve files. In addition to the expenses and support services paid directly by  
3 the Western General estate, the CLO also paid direct expenses for the estate with the two primary  
4 expenses being postage and postage related expenses and travel. The CLO arranged and paid  
5 directly for the printing and postage of additional liquidation/cancellation notices and a second  
6 installment for the mass mailing to all potential creditors and known interested parties related to  
7 the proof of claim process. The combined postage and printing costs totaled \$107,877.

8 32. During most of the Second Reporting Period, the Western General estate incurred  
9 travel expenses for one full-time CLO employee who continued to work on-site weekly at the  
10 Calabasas office. The employee incurred rental car, meal per diem, lodging, mileage, and airfare  
11 expenses in travel to and from Calabasas, CA. The court appointed Liquidation Manager  
12 continued to work out of the Calabasas location managing the daily work plans and staff with an  
13 eye towards concluding or transferring local operations as the Western General estate commenced  
14 the local office closure. During the last months of the year a second CLO employee travelled  
15 periodically to Calabasas to assist in the technical and logistical aspects of the physical shutdown  
16 and office closure. Some of the travel costs while incurred in 2022 were invoiced and paid by the  
17 estate in 2023 and will be accounted for in the estate's next fee filing for 2023. For the Second  
18 Reporting Period the Travel expenses totaled \$76,725.

19 33. Western General continued the process of reviewing and correcting various historical  
20 1099 reporting deficiencies or the failure to report by the company prior to insolvency. The estate  
21 will consider all remaining federal and state tax liability through the proof of claim process. The  
22 Liquidator was able to meet the 2021 and 2022 1099 submission deadlines.

23 34. During the Second Reporting Period, the Commissioner required legal assistance in  
24 addressing certain requests made of the estate by its majority shareholder that required the advice  
25 of legal counsel as well as providing advice on disputed asset collections and submitting periodic  
26 reporting to the court. Non-litigation legal services were provided to the Commissioner by  
27 attorneys employed by the California Department of Insurance's Corporate Affairs Bureau. The  
28 Attorney General's Office represents the Commissioner in this proceeding and provides litigation

1 services as needed, including the drafting of liquidation related pleadings and representation  
2 before this Court.

3 35. The legal fees and expenses incurred by Western General during the Second  
4 Reporting Period and paid directly by the CLO totaled \$62,767. It should be noted that  
5 approximately \$26,613 of the total 2022 legal expenses paid during the Second Reporting Period  
6 were for services rendered in 2021 and were incurred in support of both asset collections and  
7 periodic reporting to the court.

8 36. With the closure of the Western General's operations and office in Calabasas, the  
9 Liquidator has identified a population of stored corporate records that have elapsed the  
10 company's retention period, are largely replicated in imaged format, and are ready for disposal.  
11 The disposal of these non-essential records will generate a material reduction in the monthly  
12 storage expense of the estate. Western General's contemporary records retention practice was to  
13 scan all incoming correspondence (policy-related and operations) and documents into their policy  
14 administration system, then retain a hard copy for 1 year. With the assistance of retained staff the  
15 Liquidator has identified 975 boxes stored off-site that are no longer necessary to the liquidation  
16 proceeding. 471 boxes contain various types of policy administration files and all are past their  
17 seven year retention timeframe. These documents are not necessary for the liquidation  
18 proceedings. Although not all of the older files have been scanned into an electronic system a  
19 large portion of the records have been scanned and could be available if necessary. The second  
20 group of 504 files are various claim and claim related files ranging from 2017 to early 2020. In  
21 accordance with Western General's retention policy all of these more contemporary records were  
22 scanned into the policy administration system and have been retained in hard copy for more than  
23 1 year. Western General will retain the electronic images and records and can reproduce legible  
24 copies of the original documents into the future. +

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

Executed on August 15, 2023, in Calabasas, California.

  
\_\_\_\_\_  
Scott Pearce

**DECLARATION OF SERVICE BY E-MAIL**

Case Name: **Insurance Commissioner v. Western General Insurance Co.**  
Case No.: **21STCP01655**

I declare:

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: 300 South Spring Street, Suite 1702, Los Angeles, CA 90013-1230.

On August 28, 2023, I served the **attached DECLARATION OF SCOTT PEARCE IN SUPPORT OF MOTION FOR ORDER APPROVING LIQUIDATOR'S (1) PAYMENT OF ADMINISTRATIVE AND PROFESSIONAL FEES AND EXPENSES FOR THE PERIOD OF JANUARY 1, 2022, TO OCTOBER 31, 2022 AND (2) APPROVAL TO DESTROY LEGACY RECORDS** by transmitting a true copy via electronic mail. In addition, I placed a true copy thereof enclosed in a sealed envelope, in the internal mail system of the Office of the Attorney General, for overnight delivery, addressed as follows:

**John E. McPherson, Esq.**  
**Hinshaw & Culbertson LLP**  
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Los Angeles, CA 90071-3476  
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**Diane Hashimoto**  
[dehashimoto@mintz.com](mailto:dehashimoto@mintz.com)

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on August 28, 2023, at Los Angeles, California.

\_\_\_\_\_  
Alyssa Barragan  
Declarant

\_\_\_\_\_  
/s/ Alyssa Barragan  
Signature