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12 Attorneys for Applicant Dave Jones,
Insurance Commissioner of the State of California
13 in his Capacity as Conservator of Majestic Insurance
Company

**EXEMPT from filing fees per Govt.
Code § 6103**

14
15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 CITY AND COUNTY OF SAN FRANCISCO
17

18 DAVE JONES, INSURANCE
19 COMMISSIONER OF THE STATE OF
CALIFORNIA,
20 Applicant,
21
v.
22 MAJESTIC INSURANCE COMPANY, and
23 DOES 1-50, inclusive,
24 Respondents.
25

Case No. CPF-11-511261
**DECLARATION OF JOSEPH
HOLLOWAY IN SUPPORT OF
INSURANCE COMMISSIONER DAVE
JONES' MOTION FOR ORDER
APPROVING REHABILITATION
PLAN FOR MAJESTIC INSURANCE
COMPANY**
Date: June 2, 2011
Time: 9:30 a.m.
Dept: 301
Judge: Hon. Peter J. Busch

1 I, JOSEPH HOLLOWAY, hereby declare and state as follows:

2 1. I am the Conservation Manager for Majestic Insurance Company in Conservation
3 (“Majestic”). I make this declaration in support of the Insurance Commissioner Dave Jones’
4 Motion for Order Approving the Rehabilitation Plan for Majestic (“Rehabilitation Motion”). The
5 following facts are known by me to be true and correct and of my own personal knowledge,
6 except to those which I have expressed as being based upon my information and belief, and if
7 called upon to testify thereto I would and could competently do so.

8 2. I have a Bachelor of Arts degree in accounting from North Carolina State
9 University and hold the designation of Certified Financial Examiner from the Society of Financial
10 Examiners.

11 3. From 1985 to 2005, I worked as an examiner, regulatory specialist, and chief
12 forensic accountant for the North Carolina Department of Insurance. Since 2005, I have been
13 employed as a consultant by INS Consultants, Inc. and assigned to work with the Insurance
14 Commissioner’s Conservation & Liquidation Office (“CLO”). Combined, I have over 25 years of
15 experience working with insurance companies experiencing financial difficulties, including
16 companies in supervision, conservation, rehabilitation, and liquidation.

17 4. I am empowered under Paragraph 18 of the Conservation Order for Majestic, filed
18 April 21, 2011, to carry out all the duties of and exercise the authority of the Conservator Dave
19 Jones (“Conservator”) and Deputy Conservator David Wilson (“Deputy Conservator”) as either
20 may delegate to me in the management of Majestic.

21 5. As a result of my appointment as Conservation Manager for Majestic, I am
22 knowledgeable of all of the steps taken by Majestic and by the Conservator to execute service of
23 the Conservation Order for Majestic on all persons requiring it and to provide notice of the
24 Conservation Order and of the Motion for an Order Approving Rehabilitation Plan
25 (“Rehabilitation Plan Motion”) to interested parties.

26 6. Personal service of the Conservation Order was made on each of Majestic’s
27 Officers, Directors, and Managers, including Cynthia A. McKinney, Chester Joseph Walczyk,
28 Daniel Gregory Hickey, Sr., Louis J. Viglotti, Richard Dean Ackerman, Nora Sevilla Greathouse,

1 Michael William Bourne, John Vargas Hernandez, Chung Hwei Pan, Kevin John McGrath, James
2 Joseph Scardino, and Donald R. Bellinger. Personal Service of the Conservation Order was also
3 made on Claims Manager Michelle Green, Grubb & Ellis Account Manager Alice Lee, Claims
4 Supervisor Cheryl Gray, Hines Property Manager David A Koch, Wells Fargo Account Manager
5 Sunil Pandya, HSBC Account Manager Christopher K. Lee, and Bernardo Gateway Property
6 Manager Barbara Schulyer. True and correct copies of the Proofs of Service to the above listed
7 individuals are attached as Exhibits 1 - 19.

8 7. The Conservator has mailed notice of the Rehabilitation Plan and the Hearing on
9 Conservator's Rehabilitation Plan Motion, the forms of which notice was approved by the San
10 Francisco County Superior Court in its April 21, 2001 Order, to all policyholders, shareholders,
11 and all known creditors of Majestic, as well as to other known interested parties, at their
12 addresses as shown in Majestic's records. True and correct copies of the two approved forms of
13 mail notice are attached as Exhibits 20 - 21.

14 8. The Conservator has published notice of the Conservation Order, Rehabilitation
15 Plan, and Hearing on the Rehabilitation Plan Motion, the form of which notice was approved by
16 the San Francisco County Superior Court in its April 21, 2001 Order, in the Los Angeles Daily
17 Journal, Sacramento Bee, San Diego Union-Tribune, San Francisco Chronicle, and Poughkeepsie
18 Journal. Each of these newspapers published the Conservator's notice on April 29, 2011. The
19 approved form of publication notice is attached as Exhibit 22. True and correct copies of the
20 proofs of publication for each newspaper are attached as Exhibits 23 - 27.

21 9. Notices of the Conservation Order and Rehabilitation Plan, including a copy of all
22 of the pleadings related to the Majestic Conservation, have been posted on the main websites for
23 Majestic (<http://www.majesticinsurance.com/>) and the Conservation and Liquidation Office
24 (<http://www.caclo.org/perl/>). These notices were posted on April 21, 2011. These websites have
25 been viewed as many as 204 times since their publication.

26 10. The Conservator mailed notice to all insurance brokers of record alerting them to
27 the Conservation Order, Rehabilitation Plan, and Motion for Order Approving the Rehabilitation
28

1 Plan. That notice included a letter from Majestic and AmTrust explaining their proposed
2 partnership. A true and correct copy of this notice is attached as Exhibit 28.

3 11. On behalf of the Conservator, I have engaged in several conference calls with
4 insurance brokers regarding the placement of Majestic into conservation and the proposed
5 Rehabilitation Plan.

6 12. The Conservator has provided a telephone number (800-927-4357), available
7 through the California Department of Insurance Website website (www.insurance.ca.gov), for
8 persons seeking further information regarding the Conservation Order and Rehabilitation Plan.

9 13. The California Department of Insurance issued a press release on April 21, 2011
10 describing the Conservation Order and Rehabilitation Plan and informing readers where
11 additional information could be found. A true and correct copy of the press release issued by the
12 Department of Insurance is attached as Exhibit 29 and is also available at the Department of
13 Insurance's website (www.insurance.ca.gov).

14 14. The Workers' Comp Executive has run no fewer than five FLASH reports and
15 articles reporting on the California Department of Insurance's placement of Majestic in
16 Conservation and the Conservator's proposed Rehabilitation Plan. True and correct copies of
17 some of these reports are attached as Exhibits 30 - 32 and are also available at the Workers'
18 Comp Executive's website (www.wcexec.com).

19 15. The Conservation Order and Proposed Rehabilitation Plan have also received press
20 coverage from additional sources, such as *workcompcentral*, a news and information service for
21 the workers' compensation industry, and *Insurance Journal*. True and correct copies of examples
22 of this additional news coverage are attached as Exhibits 33 - 34.

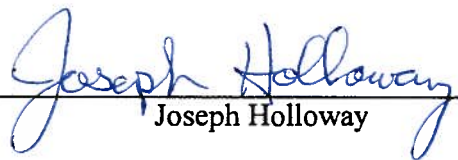
23 16. I am informed and believe that information regarding the Rehabilitation Plan and
24 Conservation Order has reached third parties that might have an interest in participating in the
25 Rehabilitation Plan. I base my belief in this regard on the extensive notice detailed in this
26 declaration and on the fact that the Conservator's staff has received inquiries from companies
27 seeking additional information about the Rehabilitation Plan and AmTrust's participation therein.
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17. Based on the foregoing, the Conservator believes that all reasonable and necessary steps have been taken to ensure that all interested parties have received actual notice or at a minimum have been placed on inquiry notice regarding the conservation and the hearing on the Commissioner's Rehabilitation Plan Motion.

Executed this 25th day of May, 2011, in San Francisco, California.

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



Joseph Holloway

OHS WEST:261139437.1

EXHIBIT 1

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

CONSERVATION & LIQUIDATION OFFICE

PROOF OF SERVICE MAJESTIC INSURANCE COMPANY

I am an employee of the Conservation and Liquidation Office employed at:
425 Market Street, 23rd Floor, San Francisco, CA 94105

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* (San Francisco Superior Court Case No. CPF-11-511261) to **Cynthia A. McKinney** by delivering a true and correct copy thereof to that person, personally at 2515 South Road, 5th Floor, Poughkeepsie, NY 12601.

On April 25, 2011, at the hour of 11:15 A M.

Executed on April 25, 2011 at 2515 South Road, 5th Floor, Poughkeepsie, NY 12601.

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

Scott D. Pearce

Sr. Estate Trust Officer

EXHIBIT 2

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.



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**CONSERVATION &
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**PROOF OF SERVICE
MAJESTIC INSURANCE COMPANY**

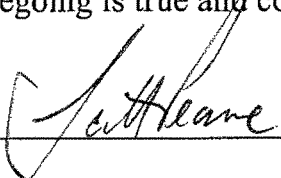
I am an employee of the Conservation and Liquidation Office employed at:
425 Market Street, 23rd Floor, San Francisco, CA 94105

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* (San Francisco Superior Court Case No. CPF-11-511261) to **Chester Joseph Walczyk** by delivering a true and correct copy thereof to that person, personally at 2515 South Road, 5th Floor, Poughkeepsie, NY 12601.

On April 22, 2011, at the hour of 11:00 A M.

Executed on April 22, 2011 at 2515 South Road, 5th Floor, Poughkeepsie, NY 12601.

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



Scott D. Pearce

Sr. Estate Trust Officer

EXHIBIT 3

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.



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**CONSERVATION &
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PROOF OF SERVICE
MAJESTIC INSURANCE COMPANY

I am an employee of the Conservation and Liquidation Office employed at:
425 Market Street, 23rd Floor, San Francisco, CA 94105

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* (San Francisco Superior Court Case No. CPF-11-511261) to **Daniel Gregory Hickey, Sr.** by delivering a true and correct copy thereof to that person, personally at

On April 27, 2011, at the hour of 2:15 P M.

Executed on April 27, 2011 at

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

Scott D. Pearce

Sr. Estate Trust Officer

EXHIBIT 4

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.



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CONSERVATION & LIQUIDATION OFFICE

PROOF OF SERVICE MAJESTIC INSURANCE COMPANY

I am an employee of the Conservation and Liquidation Office employed at:
425 Market Street, 23rd Floor, San Francisco, CA 94105

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* (San Francisco Superior Court Case No. CPF-11-511261) to **Louis J. Viglotti** by delivering a true and correct copy thereof to that person, personally at 2515 South Road, 5th Floor, Poughkeepsie, NY 12601.

On April 25, 2011, at the hour of 1:30 P M.

Executed on April 25, 2011 at 2515 South Road, 5th Floor, Poughkeepsie, NY 12601.

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

Scott D. Pearce

Sr. Estate Trust Officer

EXHIBIT 5

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.



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CONSERVATION & LIQUIDATION OFFICE

PROOF OF SERVICE MAJESTIC INSURANCE COMPANY

I am an employee of the Conservation and Liquidation Office employed at:
425 Market Street, 23rd Floor, San Francisco, CA 94105

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* (San Francisco Superior Court Case No. CPF-11-511261) to **Richard Dean Ackerman** by delivering a true and correct copy thereof to that person, personally at 2515 South Road, 5th Floor, Poughkeepsie, NY 12601.

On April 22, 2011, at the hour of 11 : 00 A M.

Executed on April 22, 2011 at 2515 South Road, 5th Floor, Poughkeepsie, NY 12601.

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

Scott D. Pearce

Sr. Estate Trust Officer

EXHIBIT 6

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.



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**CONSERVATION &
LIQUIDATION OFFICE**

**PROOF OF SERVICE
MAJESTIC INSURANCE COMPANY**

I am an employee of the Department of Insurance, State of California employed at:

Benicia Investigations office - 1100 Rose Dr. Ste. 100 Benicia, CA 94510

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company to Nora Sevilla Greathouse* by showing the original thereof and delivering a copy/original thereof to that person, personally, at _____.

101 California St. 22nd Floor

San Francisco, CA.

on April 21, 2011, at the hour of 2:24 P.M.

Executed on April 21, 2011, at San Francisco, CA.

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

Leanne Borden (Signature)

Leanne Borden (Print Name)

Insurance Investigator (Title)

EXHIBIT 7

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.



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**CONSERVATION &
LIQUIDATION OFFICE**

**PROOF OF SERVICE
MAJESTIC INSURANCE COMPANY**

I am an employee of the Department of Insurance, State of California employed at:

Benicia Investigations Office - 1100 Rose Dr. Ste. 100 Benicia, CA. 94570

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* to Michael William Bourne by showing the original thereof and delivering a copy/original thereof to that person, personally, at _____.

101 California St. 22nd Floor

San Francisco, CA.

on April 21, 2011, at the hour of 2:23 P.M.

Executed on April 21, 2011, at San Francisco CA.

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

Leanne Borden (Signature)

Leanne Borden (Print Name)

Insurance Investigator (Title)

EXHIBIT 8

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.



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**CONSERVATION &
LIQUIDATION OFFICE**

**PROOF OF SERVICE
MAJESTIC INSURANCE COMPANY**

I am an employee of the Department of Insurance, State of California employed at:

Benicia Investigations Office - 1100 Rose Dr. Ste. 100 Benicia, CA 94570

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* to John Vargas Hernandez by showing the original thereof and delivering a copy/original thereof to that person, personally, at _____.

101 California St. 22nd Floor
San Francisco, CA.

on April 21, 2011, at the hour of 2:22 P.M.

Executed on April 21, 2011, at San Francisco, CA.

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

[Signature] (Signature)

Leanne Borden (Print Name)

Insurance Investigator (Title)

EXHIBIT 9

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.



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**CONSERVATION &
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**PROOF OF SERVICE
MAJESTIC INSURANCE COMPANY**

I am an employee of the Department of Insurance, State of California employed at:

Benicia Investigations Office- 1100 Rose Dr. Ste. 100 Benicia, CA. 94510

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* to

Chung Hwei Pan by showing the original thereof and delivering a copy/original thereof to that person, personally, at _____.

101 California St. 22nd Floor

San Francisco, CA.

on April 21, 2011, at the hour of 9:21 P.M.

Executed on April 21, 2011, at San Francisco, CA.

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

Leanne Borden (Signature)

Leanne Borden (Print Name)

Insurance Investigator (Title)

EXHIBIT 10

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.



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**CONSERVATION &
LIQUIDATION OFFICE**

**PROOF OF SERVICE
MAJESTIC INSURANCE COMPANY**

I am an employee of the Department of Insurance, State of California employed at:

Benicia Investigations office- 1100 Rose Dr. Ste. 100 Benicia, CA. 94570

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* to Kevin John McGrath by showing the original thereof and delivering a copy/original thereof to that person, personally, at _____.

101 California St. 22nd Floor

San Francisco, CA.

on April 21, 2011, at the hour of 2:20 p.m.

Executed on April 21, 2011, at San Francisco, CA.

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

[Signature] (Signature)

Leanne Burden (Print Name)

Insurance Investigator (Title)

EXHIBIT 11

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.



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**CONSERVATION &
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**PROOF OF SERVICE
MAJESTIC INSURANCE COMPANY**

I am an employee of the Department of Insurance, State of California employed at:

Benicia Investigations Office - 1100 Rose Dr. Ste. 100 Benicia, CA 94570

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* to James Joseph Scardino showing the original thereof and delivering a copy/original thereof to that person, personally, at _____.

101 California St. 22nd Floor

San Francisco, CA

on April 21, 2011, at the hour of 2:14 P.M.

Executed on April 21, 2011, at San Francisco, CA.

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

Leanne Borden (Signature)

Leanne Borden (Print Name)

Insurance Investigator (Title)

EXHIBIT 12

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
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www.cacllo.org

**CONSERVATION &
LIQUIDATION OFFICE**

PROOF OF SERVICE

MAJESTIC INSURANCE COMPANY

I am an employee of the Conservation and Liquidation Office employed at:

425 Market Street, 23rd Floor, San Francisco, CA 94105

I served this Order Appointing Conservator and Restraining Orders in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* (San Francisco Superior Court Case No. CPF-11-511261) to DONALD R. BELLINGER by delivering a true and correct copy thereof to that person, personally at

101 CALIFORNIA ST. 22nd FLOOR

SAN FRANCISCO, CA. 94111

On April 21, 2011, at the hour of 1:00 PM.

Executed on April 21, 2011 at SAN FRANCISCO, CA. 94111.

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

John H. Battle (Signature)

John H. Battle
Chief Claims Officer
Conservation and Liquidation Office

EXHIBIT 13

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.



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**CONSERVATION &
LIQUIDATION OFFICE**

**PROOF OF SERVICE
MAJESTIC INSURANCE COMPANY**

I am an employee of the Conservation and Liquidation Office employed at:

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* to Michelle Green by showing the original thereof and delivering a copy/original thereof to that person, personally, at San Diego, CA.

on APR. 22, 20 11, at the hour of 8:30 AM.

Executed on 4/22/11, at San Diego, CA.

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

John H. Battle (Signature)
John H. BATTLE (Print Name)
Chief Claims Office (Title)

Serving the California Insurance Com

MAJESTIC INSURANCE
Michelle Green, WCCP
CLAIMS MANAGER
mgreen@majesticinsurance.com
Majestic Insurance Company
P.O. Box 270769
San Diego, CA 92198
Toll Free: 877-829-6305
Tel: 858-385-4040 Ext. 2948
Fax: 858-487-6908
Mobile: 619-307-3701
www.majesticinsurance.com

EXHIBIT 14

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.



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PROOF OF SERVICE

MAJESTIC INSURANCE COMPANY

I am an employee of the Conservation and Liquidation Office employed at:
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I served this Order Appointing Conservator and Restraining Orders in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* (San Francisco Superior Court Case No. CPF-11-511261) to Alice Lee by delivering a true and correct copy thereof to that person, personally at 2600 Michelson Dr.

Irvine, CA.

On April 22, 2011, at the hour of 3:15 PM.

Executed on April , 2011 at Irvine, CA.

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

John H. Battle (Signature)
John H. Battle
Chief Claims Officer
Conservation and Liquidation Office



GRUBB & ELLIS.
From Insight to Results

Alice Lee, RPA
Property Manager
Management Services

Grubb & Ellis Management Services, Inc.
2600 Michelson Drive, Suite 1140
Irvine, CA 92612
949.253.9511 direct
949.795.6178 cell
949.253.9564 fax
alice.lee@grubb-ellis.com
www.grubb-ellis.com

Licensed Real Estate Salesperson
CA License # 1521946

EXHIBIT 15

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.



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**CONSERVATION &
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**PROOF OF SERVICE
MAJESTIC INSURANCE COMPANY**

I am an employee of the Conservation and Liquidation Office employed at:
425 Market Street, 23rd Floor, San Francisco, CA 94105

I served this Order Appointing Conservator and Restraining Orders in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* (San Francisco Superior Court Case No. CPF-11-511261) to Cheryl Gray by delivering a true and correct copy thereof to that person, personally at 2600 Michelson Dr.

IRVINE, CA.

On April 22, 2011, at the hour of 1:50 PM.

Executed on April 22, 2011 at IRVINE, CA.

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

John H. Battle (Signature)

John H. Battle
Chief Claims Officer
Conservation and Liquidation Office



Cheryl Gray, MA
VICE PRESIDENT - CLAIMS
cgray@majesticinsurance.com
Majestic Insurance Company
P.O. Box 15120
Irvine, CA 92623-5120
Toll Free: 800-432-2107
Tel: 949-608-8588 Ext. 2709
Fax: 949-202-5984
Mobile: 909-210-6424
www.majesticinsurance.com

EXHIBIT 16

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

**CONSERVATION &
LIQUIDATION OFFICE**

PROOF OF SERVICE
MAJESTIC INSURANCE COMPANY

I am an employee of the Conservation and Liquidation Office employed at:
425 Market Street, 23rd Floor, San Francisco, CA 94105

I served this Order Appointing Conservator and Restraining Orders in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* (San Francisco Superior Court Case No. CPF-11-511261) to David A Koch by delivering a true and correct copy thereof to that person, personally at 101 Calif. St, 22 floor, San Francisco, CA

On April 22, 2011, at the hour of 1:15 M.

Executed on April 22, 2011 at SAN FRANCISCO, CA

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

David Elulsen (Signature)

EXHIBIT 17

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

**CONSERVATION &
LIQUIDATION OFFICE**

PROOF OF SERVICE
MAJESTIC INSURANCE COMPANY

I am an employee of the Department of Insurance, State of California employed at:

BENICIA INVESTIGATION OFFICE - 1100 ROSE DRIVE, STE 100, BENICIA, CA 94510

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company to Sunil G. Pandya* by showing the original thereof and delivering a copy/original thereof to that person, personally, at _____.

Wells Fargo - MAC

400 Montgomery St. 9th FL. MAC, A0101-056
SAN FRANCISCO, CA

on April 21, 2011, at the hour of : M.

Executed on April 21, 2011, at San Francisco, CA.

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

[Signature] (Signature)

KEISTIN SCHIBER (Print Name)

SR. INS. INVESTIGATOR (Title)

EXHIBIT 18

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

**CONSERVATION &
LIQUIDATION OFFICE**

PROOF OF SERVICE
MAJESTIC INSURANCE COMPANY

I am an employee of the Department of Insurance, State of California employed at:

BENICIA INVESTIGATION OFFICE - 1100 ROSE DRIVE, ST 100, BENICIA, CA 94570

I served this Order Appointing Conservator and Restraining Order in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* to Christopher K. Lee by showing the original thereof and delivering a copy/original thereof to that person, personally, at _____.

HSBC BANK USA, NA

601 MIDT GOMERY ST.
SAN FRANCISCO, CA

on April 21, 2011, at the hour of 2:40 P.M.

Executed on April 21, 2011, at SAN FRANCISCO, CA.

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

[Signature] (Signature)

KRISTIN SCHRIBER (Print Name)

SR. INS. INVESTIGATOR (Title)

EXHIBIT 19

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

**CONSERVATION &
LIQUIDATION OFFICE**

PROOF OF SERVICE

MAJESTIC INSURANCE COMPANY

I am an employee of the Conservation and Liquidation Office employed at:

425 Market Street, 23rd Floor, San Francisco, CA 94105

I served this Order Appointing Conservator and Restraining Orders in the Matter of *Insurance Commissioner of the State of California v. Majestic Insurance Company* (San Francisco Superior Court Case No. CPF-11-511261) to BARBARA Schuyler by delivering a true and correct copy thereof to that person, personally at 10845 RAUCHO BERNARDO DR. ; Sra. 103

SAN DIEGO, CA.

On April 22, 2011, at the hour of 10:20 AM.

Executed on April , 2011 at SAN DIEGO, CA.

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

John H. Battle (Signature)

John H. Battle
Chief Claims Officer
Conservation and Liquidation Office

EXHIBIT 20

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

CONSERVATION & LIQUIDATION OFFICE

April 22, 2011

RE Majestic Insurance Company Conservation and Rehabilitation Notice

To Whom It May Concern:

Please take notice that on April 21, 2011 the Insurance Commissioner of the State of California (the "Commissioner") was appointed by the Superior Court of San Francisco as Conservator of Majestic Insurance Company (the "Company") pursuant to Section 1011 of the California Insurance Code. The Commissioner has the responsibility to take these actions whenever a company is deemed to be statutorily impaired. **The Conservation will not cause any disruption or delay in the delivery of workers' compensation benefits to injured workers covered under Majestic policies. Policyholders are encouraged to pay their premiums.**

The Commissioner has simultaneously filed a Plan of Rehabilitation for the Company. As part of the Plan of Rehabilitation, the Company and AmTrust North America, Inc. ("AmTrust") have entered into an agreement to transfer all insurance liabilities and certain assets from the Company to AmTrust. The components will include a Loss Portfolio Transfer, Sales of Renewal Rights, and an Asset Purchase Transaction.

The Superior Court has set a hearing on the Commissioner's motion to approve the Plan of Rehabilitation for June 2, 2011, at 9:30a.m., in Department 301. Any opposition to or comment on the motion or the Plan of Rehabilitation must be filed in the Superior Court and served on the Commissioner no later than May 16, 2011.

A copy of the Conservation Order and Plan of Rehabilitation Order can be found on the Conservation & Liquidation Office website at: www.caclo.org. Additional information can be found on the Company's website at: www.majesticinsurance.com or contact your broker or Majestic at (800) 216-7770.

Sincerely,

David E. Wilson
Chief Executive Officer &
Special Deputy Insurance Commissioner

EXHIBIT 21

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

CONSERVATION & LIQUIDATION OFFICE

April 22, 2011

[Attorneys-Defense for Majestic Notice Recipient: Address]

RE Majestic Insurance Company Conservation and Rehabilitation Notice

To Whom It May Concern:

You have been identified as a defense counsel of a litigated case(s) of Majestic Insurance Company. Please take notice that on April 21, 2011 the Insurance Commissioner of the State of California (the "Commissioner") was appointed by the Superior Court of San Francisco as Conservator of Majestic Insurance Company (the "Company") pursuant to Section 1011 of the California Insurance Code. The Commissioner has the responsibility to take these actions whenever a company is deemed to be statutorily impaired.

The Commissioner has simultaneously filed a Plan of Rehabilitation for the Company. As part of the Plan of Rehabilitation, the Company and AmTrust North America, Inc. ("AmTrust") have entered into an agreement to transfer all insurance liabilities and certain assets from the Company to AmTrust. The components will include a Loss Portfolio Transfer, Sales of Renewal Rights, and an Asset Purchase Transaction. **The Conservation will not cause a disruption or delivery in the payment of your invoices. Based on the Plan of Rehabilitation, the Conservator will continue to pay your invoices during the Conservation. Subsequently, AmTrust will assume all payments of your invoices. Please continue your work for the Company in the normal course of business.**

The Superior Court has set a hearing on the Commissioner's motion to approve the Plan of Rehabilitation for June 2, 2011, at 9:30a.m., in Department 301. Any opposition to or comment on the motion or the Plan of Rehabilitation must be filed in the Superior Court and served on the Commissioner no later than May 16, 2011.

A copy of the Conservation Order and Plan of Rehabilitation Order can be found on the Conservation & Liquidation Office website at: www.caclo.org. Additional information can be found on the Company's website at: www.majesticinsurance.com or Majestic at (800) 216-7770.

Sincerely,

David E. Wilson
Chief Executive Officer &
Special Deputy Insurance Commissioner

EXHIBIT 22

NOTICE TO ALL POLICYHOLDERS, INSUREDS, CREDITORS, SHAREHOLDERS, AND ALL OTHER PERSONS OR ENTITIES INTERESTED IN THE ASSETS OF MAJESTIC INSURANCE COMPANY

NOTICE IS HEREBY GIVEN that on ____DATE____, the Superior Court of the City and County of San Francisco entered an Order Appointing Conservator, in the case entitled *Insurance Commissioner of the State of California v. Majestic Insurance Company*, Case No. _____ (the "Conservation Order"). Pursuant to the Conservation Order, the Insurance Commissioner has been appointed as the statutory Conservator of Majestic Insurance Company ("Majestic"). The Conservation Order authorizes and empowers the Commissioner, through his Conservation & Liquidation Office, to conserve Majestic and its assets for the benefit of Majestic's policyholders, claimants, creditors and shareholder, as provided in Sections 1010 through 1062 of the Insurance Code of the State of California. The Conservation will not cause any disruption or delay in the delivery of workers' compensation benefits to injured workers covered under Majestic policies.

The Commissioner has simultaneously filed a motion for approval of a proposed Plan of Rehabilitation for Majestic. As part of the Plan of Rehabilitation, Majestic and AmTrust North America, Inc. ("AmTrust") have entered into an agreement in principle to transfer all insurance liabilities and certain operating assets from Majestic to AmTrust and its insurance company affiliates. The components will include a Loss Portfolio Transfer, Sales of Renewal Rights, an Asset Purchase Transaction, and several Administrative Services Agreements. The Superior Court has set a hearing on the Commissioner's motion to approve the proposed Plan of Rehabilitation for _____, 2011, at ____m., in Department ____, at 400 McAllister Street, San Francisco, California, 94012. A copy of the Conservation Order and the motion and other documents in support of the Plan of Rehabilitation can be found on the Conservation & Liquidation Office website at: www.caclo.org. Additional information about Majestic can be found on the Company's website at: www.majesticinsurance.com or contact your broker or Majestic at (800) 216-7770.

NOTICE IS FURTHER GIVEN that any and all policyholders, insureds, creditors, shareholders, or other persons having any interest in Majestic or any support for, opposition to or comment on the conservation of Majestic, the Commissioner Rehabilitation Plan motion or the Plan of Rehabilitation must file all such papers in support or opposition in the Superior Court and served on the Commissioner no later than May __, 2011.

This notice is given and published pursuant to the provisions of Sections 1010 through 1062 of the California Insurance Code for the purpose of conservation and ALL PERSONS ARE HEREBY WARNED THAT UNLESS THEIR COMMENT OR OPPOSITION IS FILED IN THE MANNER AND WITHIN THE TIME PERIOD HEREIN SPECIFIED, IT SHALL BE DEEMED WAIVED AND MAY NOT BE CONSIDERED BY THE COURT.

Date: _____

DAVE JONES

Insurance Commissioner of the
State of California as Conservator of
Majestic Insurance Company

By:

David E. Wilson
Special Deputy Insurance Commissioner

EXHIBIT 23

(When required)

RECORDING REQUESTED BY AND MAIL TO:

LOS ANGELES DAILY JOURNAL

~ SINCE 1888 ~

915 E FIRST ST, LOS ANGELES, CA 90012
Mailing Address: P.O. Box 54026, Los Angeles, California 90054-0026
Telephone (213) 229-5300 / Fax (213) 229-5481

This space for filing stamp only

CONSERVATION AND LIQUIDATION OFF
425 MARKET STREET 23RD FLR
SAN FRANCISCO, CA - 94105

DJ#: 2088990

NOTICE TO ALL POLICYHOLDERS,
INSURED, CREDITORS,
SHAREHOLDERS, AND ALL OTHER
PERSONS OR ENTITIES INTERESTED
IN THE ASSETS OF MAJESTIC
INSURANCE COMPANY

HEREBY WARNED THAT UNLESS
THEIR COMMENT OR OPPOSITION IS
FILED IN THE MANNER AND WITHIN
THE TIME PERIOD HEREIN SPECIFIED,
IT SHALL BE DEEMED WAIVED AND
MAY NOT BE CONSIDERED BY THE
COURT.

Date: April 29, 2011

DAVE JONES
Insurance Commissioner of the State of
California as Conservator of Majestic
Insurance Company

By: David E. Wilson
Special Deputy Insurance Commissioner
4/29/11
DJ-2088990#

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of Los Angeles) ss

Notice Type: LEGAL1 - LEGAL NOTICE

Ad Description: CPF-11-511261 MAJESTIC INSURANCE COMPANY

I am a citizen of the United States and a resident of the State of California; I am
over the age of eighteen years, and not a party to or interested in the above
entitled matter. I am the principal clerk of the printer and publisher of the LOS
ANGELES DAILY JOURNAL, a newspaper published in the English language
in the city of LOS ANGELES, county of LOS ANGELES, and adjudged a
newspaper of general circulation as defined by the laws of the State of
California by the Superior Court of the County of LOS ANGELES, State of
California, under date 04/26/1954, Case No. 599,382. That the notice, of which
the annexed is a printed copy, has been published in each regular and entire
issue of said newspaper and not in any supplement thereof on the following
dates, to-wit:

04/29/2011

Executed on: 04/29/2011
At Los Angeles, California

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

Signature

NOTICE IS HEREBY GIVEN that on April
21, 2011, the Superior Court of the City
and County of San Francisco entered an
Order Appointing Conservator, in the case
entitled Insurance Commissioner of the
State of California v. Majestic Insurance
Company, Case No. CPF-11-511261 (the
"Conservation Order"). Pursuant to the
Conservation Order, the Insurance
Commissioner has been appointed as the
statutory Conservator of Majestic
Insurance Company ("Majestic"). The
Conservation Order authorizes and
empowers the Commissioner, through his
Conservation & Liquidation Office, to
conserve Majestic and its assets for the
benefit of Majestic's policyholders,
claimants, creditors and shareholder, as
provided in Sections 1010 through 1062
of the Insurance Code of the State of
California. The Conservation will not
cause any disruption or delay in the
delivery of workers' compensation
benefits to injured workers covered under
Majestic policies.

The Commissioner has simultaneously
filed a motion for approval of a proposed
Plan of Rehabilitation for Majestic. As part
of the Plan of Rehabilitation, Majestic and
AmTrust North America, Inc. ("AmTrust")
have entered into an agreement in
principle to transfer all insurance liabilities
and certain operating assets from
Majestic to AmTrust and its insurance
company affiliates. The components will
include a Loss Portfolio Transfer, Sales of
Renewal Rights, an Asset Purchase
Transaction, and several Administrative
Services Agreements. The Superior Court
has set a hearing on the Commissioner's
motion to approve the proposed Plan of
Rehabilitation for June 2, 2011, at
9:30a.m., in Department 301, at 400
McAllister Street, San Francisco,
California, 94102. A copy of the
Conservation Order and the motion and
other documents in support of the Plan of
Rehabilitation can be found on the
Conservation & Liquidation Office website
at: www.caclo.org. Additional information
about Majestic can be found on the
Company's website at:
www.majesticinsurance.com or contact
your broker or Majestic at (800) 216-7770.

NOTICE IS FURTHER GIVEN that any
and all policyholders, insureds, creditors,
shareholders, or other persons having
any interest in Majestic or any support for,
opposition to or comment on the
conservation of Majestic, the
Commissioner Rehabilitation Plan motion
or the Plan of Rehabilitation must file all
such papers in support or opposition in
the Superior Court and served on the
Commissioner no later than May 16,
2011.

This notice is given and published
pursuant to the provisions of Sections
1010 through 1062 of the California
Insurance Code for the purpose of
conservation and ALL PERSONS ARE



EXHIBIT 24

The Sacramento Bee

P.O. Box 15779 • 2100 Q Street • Sacramento, CA 95852

MAJESTIC INSURANCE CO
101 CALIFORNIA ST. 22ND FLOOR
SAN FRANCISCO, CA 94111


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

COUNTY OF SACRAMENTO
STATE OF CALIFORNIA

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the printer and principal clerk of the publisher of The Sacramento Bee, printed and published in the City of Sacramento, County of Sacramento, State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Sacramento, State of California, under the date of September 26, 1994, Action No. 379071; that the notice of which the annexed is a printed copy, has been published in each issue thereof and not in any supplement thereof on the following dates, to wit:

April 29, 2011

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that this declaration was executed at Sacramento, California, on **April 29, 2011**



(Signature)

NO 448 PUBLIC NOTICE

NOTICE TO ALL POLICYHOLDERS, INSURED, CREDITORS, SHAREHOLDERS,
AND ALL OTHER PERSONS OR ENTITIES INTERESTED IN THE ASSETS OF
MAJESTIC INSURANCE COMPANY

NOTICE IS HEREBY GIVEN that on April 21, 2011, the Superior Court of the City and County of San Francisco entered an Order Appointing Conservator, in the case entitled Insurance Commissioner of the State of California v. Majestic Insurance Company, Case No. CPF-11-511281 (the "Conservation Order"). Pursuant to the Conservation Order, the Insurance Commissioner has been appointed as the statutory Conservator of Majestic Insurance Company ("Majestic"). The Conservation Order authorizes and empowers the Commissioner, through his Conservation & Liquidation Office, to conserve Majestic and its assets for the benefit of Majestic's policyholders, claimants, creditors and shareholder, as provided in Sections 1010 through 1062 of the Insurance Code of the State of California. The Conservation will not cause any disruption or delay in the delivery of workers' compensation benefits to injured workers covered under Majestic policies.

The Commissioner has simultaneously filed a motion for approval of a proposed Plan of Rehabilitation for Majestic. As part of the Plan of Rehabilitation, Majestic and AmTrust North America, Inc. ("AmTrust") have entered into an agreement in principle to transfer all insurance liabilities and certain operating assets from Majestic to AmTrust and its insurance company affiliates. The components will include a Loss Portfolio Transfer, Sales of Renewal Rights, an Asset Purchase Transaction, and several Administrative Services Agreements. The Superior Court has set a hearing on the Commissioner's motion to approve the proposed Plan of Rehabilitation for June 2, 2011, at 9:30 a.m., in Department 301, at 400 McAllister Street, San Francisco, California, 94102. A copy of the Conservation Order and the motion and other documents in support of the Plan of Rehabilitation can be found on the Conservation & Liquidation Office website at: www.cacio.org. Additional information about Majestic can be found on the Company's website at: www.majesticinsurance.com or contact your broker or Majestic at (900) 218-7770.

NOTICE IS FURTHER GIVEN that any and all policyholders, insureds, creditors, shareholders, or other persons having any interest in Majestic or any support for, opposition to or comment on the conservation of Majestic, the Commissioner Rehabilitation Plan motion or the Plan of Rehabilitation must file all such papers in support or opposition in the Superior Court and served on the Commissioner no later than May 16, 2011.

This notice is given and published pursuant to the provisions of Sections 1010 through 1062 of the California Insurance Code for the purpose of conservation and ALL PERSONS ARE HEREBY WARNED THAT UNLESS THEIR COMMENT OR OPPOSITION IS FILED IN THE MANNER AND WITHIN THE TIME PERIOD HEREIN SPECIFIED, IT SHALL BE DEEMED WAIVED AND MAY NOT BE CONSIDERED BY THE COURT.

Date: April 29, 2011

DAVE JONES
Insurance Commissioner of the
State of California as Conservator of
Majestic Insurance Company

By: David E. Wilson
Special Deputy Insurance Commissioner

EXHIBIT 25

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

AFFIDAVIT OF PUBLICATION

CA CONSERVATION & LIQUIDATION OFFICE
425 MARKET ST # 23RD FLOOR
ATTN: ROMMEL ADAO
SAN FRANCISCO, CA 94105

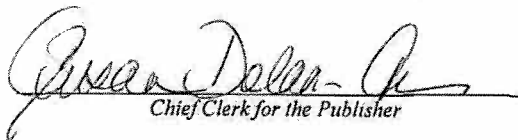
STATE OF CALIFORNIA } ss.
County of San Diego }

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

The San Diego Union-Tribune

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

Apr 29, 2011


Chief Clerk for the Publisher

5-3-11

Date

Affidavit of Publication of

Legal Advertisement
Ad # 0010506132
ORDERED BY: ROMMEL ADAO

NOTICE IS HEREBY GIVEN that on April 21, 2011, the Superior Court of the City and County of San Francisco entered an Order Appointing Conservator, in the case entitled Insurance Commissioner of the State of California v. Majestic Insurance Company, Case No. CFP-11-1134 (the "Conservation Order"). Pursuant to the Conservation Order, the Insurance Commissioner has been appointed as the statutory Conservator of Majestic Insurance Company ("Majestic"). The Conservation Order authorizes and empowers the Commissioner, through his Conservation & Liquidation Office, to conserve Majestic and its assets for the benefit of Majestic's policyholders, claimants, creditors and shareholders, as provided in Section 1862 through 1863 of the Insurance Code of the State of California. The Conservation will not cause any disruption or delay in the delivery of workers' compensation benefits to injured workers and under Majestic policies.

The Commissioner has simultaneously filed a motion for approval of a proposed Plan of Rehabilitation for Majestic. As part of the Plan of Rehabilitation, Majestic and AmTrust Northamerica, Inc. ("AmTrust") have entered into an agreement in principle to transfer all insurance liabilities and certain operating assets from Majestic to AmTrust and its insurance company affiliates. The components will include a Loss Portfolio Transfer, Sales of Renewal Rights, an Asset Purchase Transaction, and several Administrative Services Agreements. The Superior Court has set a hearing on the Commissioner's motion to approve the proposed Plan of Rehabilitation for June 2, 2011, at 1:30pm in Department 201, at 400 McAllister Street, San Francisco, California, 94102. A copy of the Conservation Order and the motion and other documents in support of the Plan of Rehabilitation can be found on the Conservation & Liquidation Office website at: www.cncio.org. Additional information about Majestic can be found on the Company's website at: www.majesticinsurance.com or contact your broker or Majestic at (619) 212-7779.

NOTICE IS FURTHER GIVEN that any and all policyholders, insureds, creditors, shareholders, or other persons having any interest in Majestic or any support for, opposition to or comment on the conservation of Majestic, the Commissioner Rehabilitation Plan motion or the Plan of Rehabilitation must file all such papers in support of or opposition in the Superior Court and served on the Commissioner no later than May 16, 2011.

This notice is given and published pursuant to the provisions of Sections 1862 through 1863 of the California Insurance Code for the purpose of conservation and ALL PERSONS ARE HEREBY WARNED THAT UNLESS THEIR COMMENT OR OPPOSITION IS FILED IN THE MANNER AND WITHIN THE TIME PERIOD HEREIN SPECIFIED, IT SHALL BE DEEMED WAIVED AND MAY NOT BE CONSIDERED BY THE COURT.

Date: April 29, 2011
DAVE JONES
Insurance Commissioner of the State of California as Conservator of Majestic Insurance Company
By: David E. Wilson
Special Deputy Insurance Commissioner

EXHIBIT 26

DECLARATION OF PUBLICATION OF
SAN FRANCISCO CHRONICLE

Lori Gomez

Declares that:

The annexed advertisement has been regularly published
In the

SAN FRANCISCO CHRONICLE

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

NOTICE TO ALL POLICYHOLDERS,
INSURED, CREDITORS,
SHAREHOLDERS, AND ALL OTHER
PERSONS OR ENTITIES INTERESTED
IN THE ASSETS OF MAJESTIC
INSURANCE COMPANY

IT IS HEREBY GIVEN that on April
2011, the Superior Court of the
City and County of San Francisco
issued an Order Appointing Conservator
in the case entitled Insurance
Conservatorship of the State of California,
Majestic Insurance Company,
Case No. CPF-11-511261 (the "Conservation
Order"). Pursuant to the
Conservation Order, the Insurance
Conservator has been appointed as
statutory Conservator of Majestic
Insurance Company ("Majestic"). The
Conservation Order authorizes and
empowers the Commissioner, through
the Conservation & Liquidation Office,
to conserve Majestic and its assets for
the benefit of Majestic's policyholders,
creditors, and shareholders,
as provided in Sections 1010 through
1062 of the Insurance Code of the
State of California. The Conservation
Order does not cause any disruption or delay
in the delivery of workers' compensation
benefits to injured workers covered
under Majestic policies.

The Commissioner has simultaneously
filed a motion for approval of a proposed
Plan of Rehabilitation for Majestic
Insurance Company. As part of the Plan of
Rehabilitation, Majestic and AmTrust North
America, Inc. ("AmTrust") have entered
into an agreement in principle to
transfer all insurance liabilities and
operating assets from Majestic
Insurance Company to AmTrust and its
insurance company subsidiaries. The
components of the transfer include a
Loss Portfolio Transfer, Sales
Renewal Rights, an Asset Purchase
Agreement, and several Administrative
Services Agreements. The Superior
Court has set a hearing on the
Commissioner's motion to approve the
proposed Plan of Rehabilitation for
Majestic Insurance Company on June 2,
2011, at 9:30 a.m., in Courtroom
301, at 400 McAllister Street,
San Francisco, California, 94102. A
copy of the Conservation Order and
other documents in support of the
Plan of Rehabilitation can be found
on the Conservation & Liquidation
Office website at:
www.cado.org. Additional information
about Majestic can be found on the
company's website at: www.majestic.com or contact your broker
at Majestic at (800) 216-7770.

and all policyholders, insureds, creditors,
shareholders, or other persons
having any interest in Majestic or any
support for, opposition to or comment
on the conservation of Majestic, the
Commissioner Rehabilitation Plan
motion or the Plan of Rehabilitation must
file all such papers in support or
opposition in the Superior Court and
served on the Commissioner no later
than May 16, 2011.

This notice is given and published pursuant
to the provisions of Sections 1010 through
1062 of the California Insurance Code for
the purpose of conservation and ALL
PERSONS ARE HEREBY WARNED THAT UNLESS
THEIR COMMENT OR OPPOSITION IS FILED
IN THE MANNER AND WITHIN THE TIME
PERIOD HEREIN SPECIFIED, IT SHALL BE
DEEMED WAIVED AND MAY NOT BE
CONSIDERED BY THE COURT.

Date: April 29, 2011 DAVE JONES
Insurance Commissioner of the
State of California as Conservator of
Majestic Insurance Company

By: David E. Wilson
Special Deputy Insurance
Commissioner

SAN FRANCISCO CHRONICLE

(Name of Newspaper)

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San Francisco, CA 94103

From 4/29/11

To 4/29/11

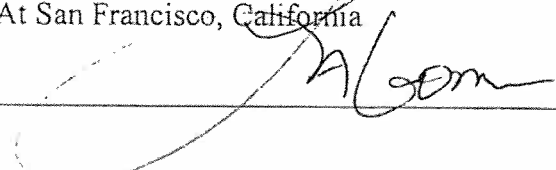
Namely on 4/29/11

(Dates of Publication)

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

Executed on 4/29/11

At San Francisco, California



IT IS FURTHER GIVEN that any

EXHIBIT 27

NOTICE TO ALL POLICYHOLDERS, INSURED, CREDITORS, SHAREHOLDERS, AND ALL OTHER PERSONS OR ENTITIES INTERESTED IN THE ASSETS OF MAJESTIC INSURANCE COMPANY IS HEREBY GIVEN that on April 21, 2011, the Superior Court of the City and County of San Francisco entered an Order Appointing Conservator, in the case entitled Insurance Commissioner of the State of California v. Majestic Insurance Company, Case No. CPF-11-511261 (the "Conservation Order"). Pursuant to the Conservation Order, the Insurance Commissioner has been appointed as the statutory Conservator of Majestic Insurance Company ("Majestic"). The Conservation Order authorizes and empowers the Commissioner, through his Conservation & Liquidation Office, to conserve Majestic and its assets for the benefit of Majestic's policyholders, claimants, creditors and shareholder, as provided in Sections 1010 through 1062 of the Insurance Code of the State of California. The Conservation will not cause any disruption or delay in the delivery of workers' compensation benefits to injured workers covered under Majestic policies. The Commissioner has simultaneously filed a motion for approval of a proposed Plan of Rehabilitation for Majestic. As part of the Plan of Rehabilitation, Majestic and AmTrust North America, Inc. ("AmTrust") have entered into an agreement in principle to transfer all insurance liabilities and certain operating assets from Majestic to AmTrust and its insurance company affiliates. The components will include a Loss Portfolio Transfer, Sales of Renewal Rights, an Asset Purchase Transaction, and several Administrative Services Agreements. The Superior Court has set a hearing on the Commissioner's motion to approve the proposed Plan of Rehabilitation for June 2, 2011, at 9:30a.m., in Department 301, at 400 McAllister Street, San Francisco, California, 94102. A copy of the Conservation Order and the motion and other documents in support of the Plan of Rehabilitation can be found on the Conservation & Liquidation Office website at: www.caclio.org. Additional information about Majestic can be found on the Company's website at: www.majesticinsurance.com or contact your broker or Majestic at (800) 216-7770.

NOTICE IS FURTHER GIVEN that any and all policyholders, insureds, creditors, shareholders, or other persons having any interest in Majestic or any support for, opposition to or comment on the conservation of Majestic, the Commissioner Rehabilitation Plan motion or the Plan

of Rehabilitation must file all such papers in support or opposition in the Superior Court and served on the Commissioner no later than May 16, 2011. This notice is given and published pursuant to the provisions of Sections 1010 through 1062 of the California Insurance Code for the purpose of conservation and ALL PERSONS ARE HEREBY WARNED THAT UNLESS THEIR COMMENT OR OPPOSITION IS FILED IN THE MANNER AND WITHIN THE TIME PERIOD HEREIN SPECIFIED, IT SHALL BE DEEMED WAIVED AND MAY NOT BE CONSIDERED BY THE COURT.
 Date: April 29, 2011
 DAVE JONES
 Insurance Commissioner of the State of California as Conservator of Majestic Insurance Company
 By: David E. Wilson
 Special Deputy Insurance Commissioner
 4133

Poughkeepsie Journal

Poughkeepsie, N.Y.

AFFIDAVIT OF PUBLICATION

State of New York
 County of Dutchess
 City of Poughkeepsie

Rita Lombardi, of the City of Poughkeepsie, Dutchess County, New York, being duly sworn, says that at the several times hereinafter mentioned he/she was and still is the Principle Clerk of the Poughkeepsie Newspapers Division of Gannett Satellite Information Network, Inc., publisher of the Poughkeepsie Journal, a newspaper published every day in the year 2011 in the city of Poughkeepsie, Dutchess County, New York, and that the annexed Notice was duly published in the said newspaper for one insertion successively, in each week, commencing on the 29th day of April in the year of 2011 and on the following dates thereafter, namely on:

And ending on the _____ day of _____ in the year of 2011, both days inclusive.

Rita Lombardi
 Subscribed and sworn to before me this 29th day of April in the year of 2011.
Rose Ann Simpson
 Notary Public

My commission expires 1/4/2014

ROSE ANN SIMPSON
 Notary Public, State of New York
 No. 01SI6215893
 Qualified in Dutchess County
 Commission Expires January 4, 2014

EXHIBIT 28

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.



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San Francisco, California
94126-0894
Tel: 415.676.5000
Fax: 415.676.5002
www.caclo.org

CONSERVATION & LIQUIDATION OFFICE

April 22, 2011

RE Majestic Insurance Company Conservation and Rehabilitation Notice

To Whom It May Concern:

Please take notice that on April 21, 2011 the Insurance Commissioner of the State of California (the "Commissioner") was appointed by the Superior Court of San Francisco as Conservator of Majestic Insurance Company (the "Company") pursuant to Section 1011 of the California Insurance Code. The Commissioner has the responsibility to take these actions whenever a company is deemed to be statutorily impaired. **The Conservation will not cause any disruption or delay in the delivery of workers' compensation benefits to injured workers covered under Majestic policies. Policyholders are encouraged to pay their premiums.**

The Commissioner has simultaneously filed a Plan of Rehabilitation for the Company. As part of the Plan of Rehabilitation, the Company and AmTrust North America, Inc. ("AmTrust") have entered into an agreement to transfer all insurance liabilities and certain assets from the Company to AmTrust. The components will include a Loss Portfolio Transfer, Sales of Renewal Rights, and an Asset Purchase Transaction.

The Superior Court has set a hearing on the Commissioner's motion to approve the Plan of Rehabilitation for June 2, 2011, at 9:30a.m., in Department 301. Any opposition to or comment on the motion or the Plan of Rehabilitation must be filed in the Superior Court and served on the Commissioner no later than May 16, 2011.

A copy of the Conservation Order and Plan of Rehabilitation Order can be found on the Conservation & Liquidation Office website at: www.caclo.org. Additional information can be found on the Company's website at: www.majesticinsurance.com or contact your broker or Majestic at (800) 216-7770.

Sincerely,

David E. Wilson
Chief Executive Officer &
Special Deputy Insurance Commissioner



AmTrust North America
An AmTrust Financial Company



To Our Valued Partners:

Thank you for your continued support of our Majestic / AmTrust partnership. As communicated in the letter from the CLO attached, AmTrust has entered into an agreement, subject to Court approval, through which it will assume the insurance liabilities and certain assets of Majestic. This includes a Loss Portfolio Transfer, Sales of Renewal Rights, and an Asset Purchase transaction, as well as retention of management and employees. At the time of closing, AmTrust will offer a cut-through endorsement to Majestic policyholders. If at any time our Majestic policyholder is in need of an A.M. Best "A" rated, financial size IX insurance carrier, please contact your underwriter or marketing representative.

AmTrust Financial Services is very excited about this new partnership. "I believe that by combining AmTrust's platform and corporate culture, which is characterized by a commitment to sound underwriting and Majestic's experienced and well-regarded workers' compensation team, we will create a dynamic new option in the California marketplace. In the past eight years, AmTrust has acquired and successfully integrated workers' compensation businesses in diverse markets through the United States. In each case, AmTrust has, in connection with the integration of the acquired business, achieved greater profitability." stated Barry Zyskind, Chief Executive Officer of AmTrust Financial Services, Inc.

In addition to its financial strength, AmTrust offers our partner agents:

- An A.M. Best rating of "A" (Excellent), FSC IX
- Multi-state, multi-tiered pricing and multi-line capabilities
- Workers' comp and commercial package products
- Flexible and competitive payment plans
- Innovative and dynamic agency submission system

As a contracted Majestic broker, you are automatically part of the AmTrust family of brokers. AmTrust is committed to the independent agent and broker distribution system, as well as the California marketplace. In addition to workers' compensation, we look forward to releasing new products that will help you grow your business!

John V. Hernandez
Sr VP Sales & Marketing
Majestic Insurance Company
(415) 362-7000 X2825
jhernandez@majesticinsurance.com

DeLynn D. Trivison, CIC
Vice President Sales
AmTrust North America
(561) 212-5580
delynn.trivison@amtrustgroup.com

EXHIBIT 29



[Return](#)

NEWS: 2011 PRESS RELEASE

For Release: April 21, 2011
Media Calls Only: 916-492-3566

Insurance Commissioner Dave Jones Announces Conservation And Rehabilitation Of Majestic Insurance Company

Injured Workers Covered by Majestic will continue to Receive Benefit Payments During Conservation, and Rehabilitation Plan will Transfer all Insurance Liabilities and Critical Assets to AmTrust North America, Inc.

Insurance Commissioner Dave Jones announced today that Majestic Insurance Company ("Majestic") has been placed into conservation by order of the San Francisco Superior Court to protect the company's policyholders and the injured workers covered under Majestic's workers' compensation policies. The Commissioner has simultaneously filed a motion seeking approval for a proposed rehabilitation plan designed to protect Majestic's policyholders and claimants from loss due to Majestic's conservation. Under the Rehabilitation Plan, Majestic's insurance liabilities and certain assets will be transferred to AmTrust North America, Inc. ("AmTrust"), which will assume responsibility for the administration and payment of all policyholder claims under Majestic's policies.

The Conservation will not cause any disruption or delay in the delivery of workers' compensation benefits to injured workers covered under Majestic policies. During conservation, the injured workers covered by Majestic policies will continue to receive benefit payments, and medical providers who care for those injured workers will continue to be paid.

"My first duty is to protect policyholders and the injured workers they insure," said Commissioner Jones. "For some time, my Department has been concerned with Majestic's financial condition, and has been carefully monitoring the company to determine if an intervention is warranted to make certain that Majestic can continue to honor its claim commitments. This conservation will ensure that Majestic's financial obligations will continue to be met."

In December 2009, the New York Workers' Compensation Board filed a lawsuit seeking in excess of \$400 million in damages from Majestic, its parent, Majestic Capital, Ltd, and several of the key officers of the organizations individually. As a result of this action, AM Best reduced the rating of Majestic Insurance Company, which in turn, decreased premiums written and increased expenses and losses.

Majestic is licensed to write property & casualty insurance in 17 states, but is domiciled in California and subject to oversight, regulation and conservation by the California Department of Insurance. The company is a specialty provider of workers' compensation insurance products. The company's workers' compensation insurance coverage is offered to employers in California, New York, New Jersey, Arizona, Nevada, and other states.

California Insurance Code Section 1011, authorizes the Commissioner, as Conservator, to conduct Majestic's business to ensure the ongoing protection of Majestic's policyholders, creditors and the public interest. The Commissioner has simultaneously filed a Plan of Rehabilitation for Majestic that is based on agreements with AmTrust in which Majestic will transfer all insurance liabilities and certain Majestic assets to AmTrust and its insurance company affiliates. The key components of the agreement include a Loss Portfolio Transfer Reinsurance Agreement, Sales of Renewal Rights, and

an Asset Purchase Transaction. AmTrust will also perform all of the administrative services necessary for the prompt and efficient adjustment and payment of all pending and future claims that arise under Majestic's insurance policies.

The Superior Court has set a hearing date of June 2, 2011, on the Commissioner's motion to approve the Rehabilitation Plan. Any party wishing to formally support, comment on or object to the motion may file papers with the Court by May 16, 2011.

At the end of December 2010, Majestic reported capital and surplus of approximately \$58 million. However, upon completion of the Commissioner's financial examination of Majestic for the period ending December 31, 2010, the department determined that Majestic's loss and loss adjustment expense reserves were deficient by approximately \$40.9 million, and that its premium reserves were also deficient in the amount of \$5.5 million, for a total reserve deficiency of more than \$46 million. After increasing the company's reserves to appropriate levels, the company's surplus has dropped to just \$11.5 million, an amount that is too low to permit the company to continue operations outside the protection of a formal conservation.

During 2010 the Company wrote direct premiums of approximately \$69 million (75.5% of total direct premiums) in California, \$9.6 million (10.5% of total direct premiums) in New Jersey, and \$9.4 million (10.3% of total direct premiums) in New York, its second and third largest markets, respectively.

Majestic's management did not oppose the conservation and is cooperating with the Commissioner's staff at the Conservation & Liquidation Office as it works to stabilize the company until the Rehabilitation Plan can be considered by the Court and, if approved, implemented through AmTrust. The Conservation & Liquidation Office will oversee the administration and payment of claims during conservation, and is developing a transition plan to move all policies and claims to AmTrust when the Plan is approved. Throughout this time it is necessary for all insureds to continue to pay their premiums to keep their insurance policy in force.

If you have a policy or claim with Majestic, you should refer to the company's website by selecting this [link](#) or call 800-216-7770. Frequently asked questions about the conservation of Majestic Insurance Company can be found by selecting this [link](#).

###

Please visit the Department of Insurance Web site at www.insurance.ca.gov. Non media inquiries should be directed to the Consumer Hotline at 800.927.HELP. Callers from out of state, please dial 213.897.8921. Telecommunications Devices for the Deaf (TDD), please dial 800.482.4833.

If you are a member of the public wishing information, please visit our [Consumer Services](#).

EXHIBIT 30

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FLASH REPORT!

Majestic Heads for Conservation

California's Majestic Insurance Company is girding itself for a likely conservation action by the California Department of Insurance (CDI) after its parent company's planned merger fell through. Bayside Capital Partners is terminating its merger agreement with Majestic Capital (Nasdaq: MAJC), which also ran the failed Compensation Risk Managers (CRM) group self-insurance units.

Bayside cites a material deterioration in Majestic Capital's capital surplus, an inability to secure regulatory approval for the merger, and a failure to satisfy the closing condition with respect to termination of Majestic Capital's lease for office space in Poughkeepsie, New York on terms acceptable to Bayside.

As a result Majestic canceled a special meeting of its shareholders and announced plans to protect its remaining assets through bankruptcy.

Company officials also announced that Majestic Insurance entered into a non-binding letter of intent to sell its renewal rights to AmTrust Financial Services and AmTrust would assume Majestic Insurance Company's loss reserves and in-force insurance business through a loss portfolio transfer and 100% quota share reinsurance agreement.

Such a move will have to be approved by CDI. Pending the closing of the transactions, Majestic Insurance Company will arrange for workers' compensation insurance policies to be underwritten by the AmTrust group companies and reinsured by Majestic Insurance Company under the previously announced 90% quota share reinsurance agreement.

It is an ignoble end to feisty little California carrier.

-30-

Filed by Brad Cain in San Francisco

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FLASH REPORT!

Majestic Insurance Picture Coming In To Focus

The conservation order being filed by the California Department of Insurance today against workers' comp carrier Majestic Insurance Company will include a plan allowing the sale of all of Majestic's assets and liabilities to Am Trust Financial Services, according to a letter sent out to Majestic's brokers. As late as yesterday afternoon, CDI officials were still refusing to publicly confirm or deny their intentions regarding Majestic Insurance or their stance on the plans with Am Trust. But multiple sources tell Workers' Comp Executive that CDI considers the deal "favorable" to all parties.

Workers' Comp Executive has obtained a letter signed by both Jim Scardino, CEO of parent Majestic Capital, and Barry Zyskind, CEO of AmTrust Financial Services, which states the Department is ready to support AmTrust's assumption of Majestic's reserves under a loss portfolio transfer. The plan also calls for AmTrust to retain certain Majestic employees and outlines the transfer of office leases and other operating issues. The plan will be filed in the San Francisco court along with the Department's conservation order, say sources.

"After these documents are filed with the Court, there will be a period of about 6 weeks during which the Court will consider the proposed transactions," the letter states. "Regardless, Majestic's operations will continue in a seamless fashion. We will solicit new business, renew expiring accounts, service and pay claims, provide loss control services, and perform our normal day-to-day tasks."

If approved by the court, Majestic and AmTrust officials say that policies that are not already written on AmTrust paper will have a cut through to an AmTrust insurance company, while renewals will be offered on AmTrust paper. Majestic has had access to AmTrust paper under a quota share arrangement since last spring after losing it's A rating from A.M. Best. (For past coverage see [Majestic Partners...](#))

"The people you have been working with at Majestic will continue working with you with no interruption in service," the letter notes.

Sources tell *Workers' Comp Executive* that the conservation process is standard operating procedure and will actually protect Majestic from any lawsuits or legal action such as the potential bankruptcy of its parent Majestic Holdings, while the plan is approved.

If no one protests the sale, the transactions should be approved by the first half of June. It is unknown if the parties already suing Majestic's parent will object to the move, contending that this is a way to avoid having the carrier assets available in a bankruptcy for the others.

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The full story should be known shortly as the official filing is expected today.

[Click here for a copy of the letter](#) , which is also available in our resources section.

-30-

Filed by Brad Cain in San Francisco

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Objections To CDI's Rehab Plan for Majestic

Exclusive

Former members of the failed self-insured Contractors Access Program group (CAP), which was managed by now conserved workers' comp carrier Majestic Insurance Company's parent Compensation Risk Managers (CRM), have filed a formal objection to the California Department of Insurance's plan to rehabilitate Majestic.

The members claim the plan, which seeks to rehabilitate Majestic through a loss portfolio transfer with AmTrust Financial Services (Nasdaq: AFSI), fails to take into account the claims of non-policyholders that pre-date the conservatorship action.

Filed on behalf of Mark Tanner Construction, Inc.; Doc Gelso Construction, Inc.; Mt. Lincoln Construction, Inc.; and Sierra Paint & Chemical, Inc.; the objections maintain that the plan allows AmTrust to escape essentially scot free with Majestic's assets; assets they say otherwise would be used to pay others.

"From Contractors' perspective the Rehabilitation Agreement appears to be a transfer of assets from Majestic Insurance Company to AmTrust, assets which Contractors believe were achieved in part by its wrongful acts leaving the Contractors with hundreds of thousands of dollars or(sic) workers' compensation liability resulting from the failed CAP," the opposition states.

CAP was declared in default by the state in November for insufficient funds. It's joint and several liabilities are estimated to be in excess of \$20 million.

The contractors allege that CRM prepared an accounting statement showing that Majestic owed approximately \$10.2 million to CAP as unearned premiums just before it went voluntarily into state receivership. Majestic provided both excess insurance and reinsurance to CAP. CRM is now operating as Majestic Capital and is in the midst of a Chapter 11

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bankruptcy reorganization that was filed after the Majestic Insurance conservatorship (for past coverage see [Rehabilitation Better...](#))

"In the end, Majestic Insurance Company owes a duty to CAP members to provide the reinsurance advertised and to reimburse CAP and its members for the unearned premiums which apparently have been transferred to the CRM parent," attorney Glen Van Dyke Esq., writes in the objection. "As it is now structured, the CAP members will be possibly held liable for the wrongdoing of Majestic Insurance Company and the individuals and entities who profited from the Ponzi-type scheme, AmTrust will benefit significantly without assuming any detriment, and the State of California will rid itself of an embarrassment which, if the regulatory bodies had done their jobs, would never have arisen."

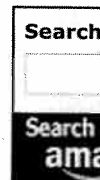
The contractors will have the opportunity to make their point in person at a hearing next month. A copy of their formal opposition is available in our resources section or by [clicking here](#).

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Filed by Brad Cain

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EXHIBIT 33



Return to : Insurance Department Takes Over Majestic

California -- Insurance Department Takes Over Majestic: Top [04/22/11]

By Greg Jones, Western Bureau Chief

The California Department of Insurance took control of Majestic Insurance Co. on Thursday through a conservation order it said is necessary because of a \$46 million deficiency in the San Francisco workers' compensation carrier's reserves.

San Francisco Superior Court Judge Peter Busch on Thursday issued an order appointing Insurance Commissioner Dave Jones conservator of the carrier, finding that Majestic is in such bad condition that any further transaction of business would be hazardous to policyholders, creditors and the public.

The department also filed a rehabilitation plan that would transfer Majestic's insurance liabilities and assets to AmTrust North America Inc. A hearing on the rehabilitation plan is scheduled for June 2.

The Insurance Department filed its petition for conservation on Tuesday after a financial examination of the company determined its loss and loss-adjustment expense reserves were deficient by \$40.9 million and its premium reserves were also short by about \$5.5 million. According to a statement from the department, Majestic had capital and surplus of \$58 million at the end of 2010, but after funding the reserves to appropriate levels that was reduced to \$11.5 million, "an amount that is too low to permit the company to continue operations outside the protection of a formal conservation."

The petition filed with the court says that Majestic needs \$18.8 million in risk-based capital to continue operating in California.

The court filing further states that Majestic's surplus is declining at a rate of about \$1.5 million per month because of continued underwriting losses and its net cash from operations was a negative \$37.5 million for 2010, compared to a negative \$18.7 million for 2009. The petition also says Majestic had a loss ratio of 60% of premiums earned for 2010, compared to 38% for 2009.

Additionally, the petition notes that the New York State Workers' Compensation Board filed a \$400 million lawsuit against Majestic and its holding company, Bermuda-based Majestic Capital. Also, three lawsuits are pending in California against Majestic for damages in excess of \$34 million. Settlements or decisions against Majestic could further erode the company's financial position, the filing says.

New York officials in November announced a tentative agreement to settle the Workers' Compensation Board's case against Majestic Capital for \$41 million.

"For some time, my department has been concerned with Majestic's financial condition, and has been carefully monitoring the company to determine if an intervention is warranted to make certain that Majestic can continue to honor its claim commitments," Jones said in a statement. "This conservation will ensure that Majestic's financial obligations will continue to be met."

The department said the conservation will not cause any disruption or delay in the delivery of treatment to injured workers or payment of physicians who provide treatment.

If the order results in a further downgrade of Majestic's financial rating, self-insured groups and employers who have reinsurance policies with the carrier will have to purchase a policy from a different insurance company, according to Department of Industrial Relations (DIR) spokesman Dean Fryer.

"If any company falls below a B rating, self-insured groups are required to seek another policy from another company," he said.

Majestic currently has a B rating with A.M. Best. However, its implication is negative, which "indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level," according to the A.M. Best website.

Fryer didn't know how many employers or self-insured groups might be affected, but he believes it is very few. Among public self-insured employers, Washington Township Hospital in Fremont, is the only Majestic

policyholder, according to public annual reports for 2009 through 2010 posted on the DIR website.

Fryer also said that DIR does not anticipate a problem for any policyholders if the rehabilitation plan is approved because AmTrust has an A rating with A.M. Best and a stable outlook.

AmTrust was the 17th largest workers' compensation carrier in the country in 2010 with more than \$470 million in direct premiums and more than \$460 million in direct premiums earned, according to National Association of Insurance Commissioners.

Gavin Magor, a senior analyst with Weiss Ratings LLC, said in March, when Majestic disclosed the possible transfer of liabilities in a filing with the Securities and Exchange Commission (SEC), that AmTrust has \$4 billion in assets and can easily absorb the new policies.

Majestic Capital's problems date back to 2006, when auditors in New York discovered many of its self-insured group trusts were underfunded and shut down all eight of its trusts. At the time, Majestic Capital was known as CRM Holdings. Subsidiary Compensation Risk Managers, based in Poughkeepsie, N.Y., was administering the trusts.

In California, Bickmore Risk Services filed a lawsuit against Majestic alleging it grossly mismanaged the Contractors Access Program, a self-insurance group that once had 222 members and was the first group trust state regulators had to place in default.

The Nasdaq Stock Market notified Majestic Capital on April 15 that it faces delisting because it has not filed an annual report.


Majestic said in a filing with the SEC that it plans to file the report by the end of the month, but was waiting to see what the Department of Insurance was going to do. Majestic said in a March 25 SEC filing it was anticipating a conservation order before the end of the April.

Neither AmTrust nor Majestic responded to calls seeking comment.

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Calif. Places Majestic Insurance into Conservatorship

April 21, 2011

Workers' compensation insurer Majestic Insurance Co. has been placed into conservation by order of the San Francisco Superior Court.

California Insurance Commissioner Dave Jones has simultaneously filed a motion seeking approval for a proposed rehabilitation plan designed to protect Majestic's policyholders and claimants from loss due to Majestic's conservation.

Under the rehabilitation plan, Majestic's insurance liabilities and certain assets will be transferred to AmTrust North America Inc., which will assume responsibility for the administration and payment of all policyholder claims under Majestic's policies.

"For some time, my department has been concerned with Majestic's financial condition, and has been carefully monitoring the company to determine if an intervention is warranted to make certain that Majestic can continue to honor its claim commitments. This conservation will ensure that Majestic's financial obligations will continue to be met," Jones said.

In December 2009, the New York Workers' Compensation Board filed a lawsuit seeking in excess of \$400 million in damages from Majestic, its parent, Majestic Capital Ltd, and several of the key officers of the organizations individually. As a result of this action, A.M. Best reduced the rating of Majestic Insurance Co., which in turn, decreased premiums written and increased expenses and losses.

Majestic is licensed to write property and casualty insurance in 17 states, but is domiciled in California and subject to oversight, regulation and conservation by the California Department of Insurance. The company is a specialty provider of workers' compensation insurance products. The company's workers' compensation insurance coverage is offered to employers in California, New

York, New Jersey, Arizona, Nevada, and other states.

The plan of rehabilitation for Majestic is based on agreements with AmTrust in which Majestic will transfer all insurance liabilities and certain Majestic assets to AmTrust and its insurance company affiliates. The key components of the agreement include a loss portfolio transfer reinsurance agreement, sales of renewal rights, and an asset purchase transaction. AmTrust will also perform all of the administrative services necessary for the adjustment and payment of all pending and future claims that arise under Majestic's insurance policies.

The Superior Court has set a hearing date of June 2, 2011, on the commissioner's motion to approve the rehabilitation plan. Any party wishing to formally support, comment on or object to the motion may file papers with the Court by May 16, 2011.

At the end of December 2010, Majestic reported capital and surplus of approximately \$58 million. However, for the period ending Dec. 31, 2010, the state insurance department determined that Majestic's loss and loss adjustment expense reserves were deficient by approximately \$40.9 million, and that its premium reserves were also deficient in the amount of \$5.5 million, for a total reserve deficiency of more than \$46 million. After increasing the company's reserves to appropriate levels, the company's surplus has dropped to just \$11.5 million, an amount that is too low to permit the company to continue operations outside the protection of a formal conservation.

During 2010, the company wrote direct premiums of approximately \$69 million (75.5 percent of total direct premiums) in California, \$9.6 million (10.5 percent of total direct premiums) in New Jersey, and \$9.4 million (10.3 percent of total direct premiums) in New York, its second and third largest markets, respectively.

The conservation will not cause any disruption or delay in the delivery of benefits to injured workers covered under Majestic policies, the California Department of Insurance said. During conservation, the injured workers covered by Majestic policies will continue to receive benefit payments, and medical providers that care for those injured workers will continue to be paid.

Majestic's management did not oppose the conservation and is cooperating with the commissioner's staff as it works to stabilize the company until the rehabilitation plan can be considered by the court and, if approved, implemented through AmTrust. The Conservation & Liquidation Office will oversee the administration and payment of claims during conservation, and is developing a transition plan to move all policies and claims to AmTrust when the plan is approved.

Persons with policies or claims with Majestic are being referred to the company's Web site at www.majesticinsurance.com or to phone 800-216-7770. Frequently asked questions about the conservation of Majestic Insurance Co. can be found at www.caclo.org.

In March, the company terminated its merger agreement with Bayside Capital.

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