

1 ROB BONTA
Attorney General of California
2 LISA W. CHAO
Supervising Deputy Attorney General
3 DOUGLAS J. BETETA
Deputy Attorney General
4 State Bar No. 260377
300 South Spring Street, Suite 1702
5 Los Angeles, CA 90013-1230
Telephone: (213) 269-6014
6 Fax: (916) 731-2144
E-mail: Douglas.Beteta@doj.ca.gov

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

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9
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF LOS ANGELES
12 CENTRAL DISTRICT

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

Petitioner,

15
16 v.

17 **WESTERN GENERAL INSURANCE**
18 **COMPANY,**

Respondent.

Case No. 21STCP01655

INSURANCE COMMISSIONER'S
NOTICE OF MOTION AND MOTION
TO CONFIRM DISTRIBUTION
PURSUANT TO LANDLORD PROOF OF
CLAIM

Date: December 11, 2026
Time: 9:30 a.m.
Dept: 833
Judge: The Honorable Joseph Lipner
Trial Date: N/A
Action Filed: May 21, 2021

1 TO ALL INTERESTED PARTIES AND THEIR ATTORNEYS OF RECORD:

2 PLEASE TAKE NOTICE that on December 11, 2026, at 9:30 a.m., or as soon thereafter as
3 the matter may be heard in Department 833 of the Superior Court of the State of California, Los
4 Angeles County, 111 North Hill Street, Los Angeles, California, 90012, Petitioner Insurance
5 Commissioner of the State of California (Commissioner) in his capacity as the Liquidator of
6 Western General Insurance Company (Liquidator), will and hereby does move the Court for an
7 order confirming the Commissioner's plan to distribute \$505,801 in estate funds in response to a
8 proof of claim for administrative costs submitted by Western General's landlord during the
9 pendency of this action. As the building in which Western General leased space is currently under
10 receivership, the Commissioner plans to interplead the funds in that receivership to determine
11 who owns them. To avoid any future dispute concerning this proof of claim, the Commissioner is
12 providing notice to all interested parties and requests the Court's approval of his plan.

13 This motion is made under Insurance Code sections 1032 and 1037 on the grounds that the
14 Commissioner, as Liquidator, is authorized to determine the claims against Western General and
15 to conduct the business of Western General to maximize the value of the company and minimize
16 costs and fees, including from resolving potential disputes.

17 This motion is based on this notice, the accompanying memorandum of points and
18 authorities in support thereof, the declarations of Scott Pearce and Douglas Beteta filed
19 concurrently with this motion, the other pleadings on file for this matter, and such additional
20 evidence and argument as may be offered at the time of the hearing on the motion.

21 Dated: September 28, 2026

Respectfully submitted,

22 ROB BONTA
23 Attorney General of California
24 LISA W. CHAO
25 Supervising Deputy Attorney General

26 DOUGLAS J. BETETA
27 Deputy Attorney General
28 *Attorneys for Petitioner Insurance
Commissioner of the State of California, in
his capacity as the Liquidator of Western
General Insurance Company*

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INTRODUCTION

For about two years after the commencement of Western General Insurance Company's conservation, the estate was required to continue Western General's pre-existing lease of office space. As such, during that period of time, the estate incurred administrative costs for leasing that space. The Insurance Commissioner, in his capacity as the liquidator of Western General, has made an uncontested determination of the amount owed by the estate for those costs and is preparing to pay them. Nonetheless, a dispute has arisen over who is entitled to receive payment. To avoid any further dispute concerning these costs, the Commissioner respectfully requests that the Court ratify his determination and approve his plan to interplead the subject funds so the interested parties can determine in a separate action who is entitled to the funds.

FACTUAL BACKGROUND

In May 2021, at the outset of Western General's conservation, Western General was leasing office space at 5230 Las Virgenes Road, Calabasas, California 91302 (the Property) from Colorado Capital Calabasas, LLC (Colorado Capital). (Declaration of Scott Pearce (Pearce Decl.), ¶ 2.) Due to administrative requirements, the Commissioner maintained that space for Western General until March 31, 2023. (*Ibid.*) Thus, the lease obligations incurred during that period became an administrative cost of the Western General estate. (*Ibid.*)

On or about February 28, 2022, Colorado Capital submitted a proof of claim to Western General estate seeking payment for obligations incurred during the conservation and liquidation of Western General as well as before conservation (the Proof of Claim). (Pearce Decl., ¶ 3.) After analyzing the landlord's claim, supporting documents, and relevant agreements, the Commissioner, through the Conservation and Liquidation Office (CLO), by letter issued on July 17, 2026, approved in part and rejected in part Colorado Capital's Proof of Claim. (Pearce Decl., ¶ 3, Ex. 1 (Determination Letter).) Specifically, the Commissioner approved a \$505,801 Class 1 claim for administrative costs incurred during the pendency of this conservation and liquidation. (Determination Letter at pp. 3-4; Pearce Decl., ¶ 4.) The Commissioner also approved a \$2,533,475.44 Class 7 claim for costs incurred prior to Western General's liquidation. (*Ibid.*) In all other respects, the Commissioner denied the Proof of Claim. (*Ibid.*)

1 In response to the Commissioner’s determination, the managing agent of Colorado Capital,
2 Norman Kravetz, emailed the CLO stating his belief that the determination was wrong with
3 respect to its treatment of a Parking Termination Agreement. (Pearce Decl., ¶ 5 & Ex. 2.) CLO
4 responded stating that the provisions of the Parking Termination Agreement did not support his
5 argument. (*Ibid.*) To date, the Commissioner has not received any other response to his
6 Determination Letter. (Pearce Decl., ¶ 5.) To date, no challenge to the Determination Letter has
7 been filed in this Court. (Declaration of Douglas J. Beteta, ¶ 2.)

8 On December 15, 2025, Wells Fargo Bank obtained an order appointing a receiver over the
9 Property in the Los Angeles County Superior Court in the matter *Wells Fargo Bank v. RBE 29899*
10 *Agoura LLC et al.*, No. 25VECV0281 (the Receivership Action). (December 15, 2025 Order for
11 Appointment of Receiver and Issuance of Preliminary Injunction (the Receivership Order)
12 entered in the Receivership Action.) Wells Fargo obtained the order because it was the
13 beneficiary of certain deeds of trust, including one executed by Colorado Capital and secured by
14 the Property. (See December 15, 2025 Minute Order Granting Motion for Order for Appointment
15 of Receiver and Issuance of Preliminary Injunction in Aid of Receiver, at pp. 2-3, Receivership
16 Action.)¹

17 Pursuant to paragraph 19 of the Receivership Order, the receiver of the Property is entitled
18 to collect “and receive all rents, revenues, and profits” for the Property. (Receivership Order, ¶
19 19.) Colorado Capital was also ordered to surrender all rents, revenues, and income for the
20 Property in its possession or later received. (*Id.*, ¶ 31.a.) Nonetheless, after submitting the Proof
21 of Claim, on or about May 4, 2024, Mr. Kravetz claimed that Colorado Capital had assigned or
22 transferred the Proof of Claim to Warner World, LLC, of which he is also the manager. (Pearce
23 Decl., ¶ 6.) To date, Mr. Kravetz, Warner World, LLC, the receiver of the Property, and Wells
24 Fargo have not agreed as to who is entitled to the proceeds due from the Proof of Claim. (*Ibid.*)
25 Thus, unless these parties agree otherwise and once he is ready to make the distribution, the
26

27 ¹ The minute order granting the motion for the Receivership Order and the Receivership
28 Order are attached as Exhibits 3 and 4, respectively, to the concurrently filed Request for Judicial
Notice.

1 Commissioner plans to interplead the proceeds due from the Proof of Claim in the Receivership
2 Action. (Pearce Decl., ¶ 6; Determination Letter, at p. 4.)

3 The Commissioner is currently finalizing the remaining Class 1 claims and is prepared to
4 proceed to determination of Class 2 claims. (Pearce Decl., ¶ 7.) But, due to the uncertainty over
5 Colorado Capital's claim, the Commissioner seeks the Court's approval of his course of action to
6 avoid any future dispute that could interfere with all determinations and distributions of claims of
7 lower classes. (*Ibid.*)

8 **LEGAL STANDARD**

9 The Insurance Commissioner's actions as conservator or liquidator of a distressed insurance
10 company are reviewed for abuse of discretion. (See *In re Exec. Life Ins. Co.* (1995) 32
11 Cal.App.4th 344, 358.) Unless the commissioner's actions are unsupported by a rational basis,
12 contrary to specific statute, a breach of fiduciary duty, or improperly discriminatory, the trial
13 court should ratify those actions. (See *ibid.*)

14 **ARGUMENT**

15 **I. THE COMMISSIONER'S DETERMINATION OF COLORADO CAPITAL'S PROOF OF** 16 **CLAIM IS FINAL AND NOT SUBJECT TO FURTHER CHALLENGE**

17 Insurance Code section 1033 sets forth the priority of claims against an insolvent insurer in
18 liquidation. As relevant here, Class 1 are claims based on the expense of administration, Class 2
19 are policyholder claims, and Class 7 are pre-conservation and pre-liquidation general unsecured
20 claims. (Ins. Code, § 1033, subds. (a)(1), (2), and (7). Each class of claims must be fully paid
21 before the claims of any lower classes may be paid.

22 Persons having claims against the insurer may file claims with the Commissioner. (Ins.
23 Code, §§ 1023, 1024.) The Commissioner is vested with authority to adjudicate the claims in the
24 first instance. (*Garamendi v. Golden Eagle Ins. Co.* (2005) 128 Cal.App.4th 452, 465.) Insurance
25 Code section 1032 provides a procedure for claimants to challenge the Commissioner's
26 determination of their proofs of claim. To challenge that determination, they must apply to the
27 liquidation court for an order to show cause within 30 days of the mailing of the Commissioner's
28 written notice of determination. (Ins. Code, § 1032.) Where the claimant fails to file an OSC

1 within that time period, the claimant forfeits its right to challenge the Commissioner's
2 determination. (See *ibid.*; see *Abraugh v. Gillespie* (1988) 203 Cal.App.3d 462, 466–467
3 [discussing time limitation].)

4 Here, the Commissioner mailed his notice of determination regarding Colorado Capital's
5 Proof of Claim on July 17, 2026. To date, no challenge to that determination has been filed. Thus,
6 the Commissioner's determination is final and not subject to further challenge. Nonetheless, to
7 avoid any potential dispute concerning that determination, the Commissioner requests that the
8 Court confirm that no further challenge to the Commissioner's determination will be considered
9 by this Court.²

10 **II. INTERPLEADING THE PROCEEDS DUE FROM THE PROOF OF CLAIM IN THE** 11 **RECEIVERSHIP ACTION IS REASONABLE**

12 Given the Commissioner's determination, the Commissioner will distribute to Colorado
13 Capital \$505,801 when the Commissioner makes the Class 1 distributions. If no agreement has
14 been reached concerning who is entitled to the proceeds from the Proof of Claim, the
15 Commissioner will interplead the funds. If possible, the Commissioner will interplead the funds
16 into the Receivership Action. If not, the Commissioner will interplead the funds in a new action
17 in the Los Angeles Superior Court.

18 This course of action makes sense because the Commissioner's determination of the Proof
19 of Claim is final and not subject to any further challenge. Thus, once distributed, the
20 Commissioner has no further claim or interest on the funds and no party can challenge the amount
21 of that distribution. On the other hand, the Commissioner is not in a position to determine who is
22 the rightful owner of the proceeds of the Proof of Claim. The court overseeing the receivership of
23 the Property is best positioned to determine to whom those proceeds should be distributed.
24 Furthermore, the Western General estate is best served by minimizing the fees and costs that may
25 be incurred in resolving who is entitled to the proceeds of the Proof of Claim. Thus, the
26 Commissioner's plan to interplead the funds is reasonable.

27 ² The Commissioner is providing notice of this motion to Colorado Capital and Warner
28 Global through their manager, Mr. Kravetz, the receiver of the Property, his counsel, and counsel
for Wells Fargo.

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CONCLUSION

For the foregoing reasons, the Commissioner respectfully requests that the Court order that no further challenge to the Commissioner’s determination of Colorado Capital will be considered by this Court and ratify his plan to interplead the funds due from the Proof of Claim once he is ready to make a distribution.

Dated: September 28, 2026

Respectfully submitted,

ROB BONTA
Attorney General of California
LISA W. CHAO
Supervising Deputy Attorney General

DOUGLAS J. BETETA
Deputy Attorney General
*Attorneys for Petitioner Insurance
Commissioner of the State of California, in
his capacity as the Liquidator of Western
General Insurance Company*

DECLARATION OF ELECTRONIC SERVICE AND SERVICE BY U.S. MAIL

Case Name: Insurance Commissioner v. Western General Insurance Co.
Case Number: 21STCP01655
Party Represented: Insurance Commissioner of the State of California, in his capacity as the Liquidator of Western General Insurance Company

Declaration of Electronic Service

1. I am at least 18 years of age and not a party to this matter.
2. I am employed in the Office of the Attorney General of the State of California. My business address is 300 South Spring Street, Suite 1702, Los Angeles, CA 90013-1230, County of Los Angeles.
3. My electronic service address is Cindy.Pain@doj.ca.gov.
4. On September 28, 2026, I electronically served the following document[s]:

**INSURANCE COMMISSIONER'S NOTICE OF MOTION AND MOTION TO
CONFIRM DISTRIBUTION PURSUANT TO LANDLORD PROOF OF CLAIM**

5. I electronically served the aforementioned document[s] by emailing them to the following individual[s]:

See Attached Service List

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct, and that this declaration was executed on September 28, 2026.

Cindy Pain
Declarant

/s/ Cindy Pain
Signature

Declaration of Service by U.S. Mail

1. I am at least 18 years of age and not a party to this matter.
2. I am employed in the Office of the Attorney General of the State of California. My business address is 300 South Spring Street, Suite 1702, Los Angeles, CA 90013-1230, County of Los Angeles.
3. On September 28, 2026, I served the following document[s]:

**INSURANCE COMMISSIONER'S NOTICE OF MOTION AND MOTION TO
CONFIRM DISTRIBUTION PURSUANT TO LANDLORD PROOF OF CLAIM**

4. I served the aforementioned documents by mailing them to the following individual[s]:

See Attached Service List

5. I am readily familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.
6. On September 28, 2026, I enclosed the documents identified in paragraph [3] in a sealed envelope or package addressed to the persons at the address listed in paragraph [4] and placed the envelope for collection and mailing, following our ordinary business practices.

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct, and that this declaration was executed on September 28, 2026.

L. Siaumau

Declarant

/s/ L. Siaumau

Signature

LA2020603913
68760259

DECLARATION OF SERVICE BY E-MAIL and U.S. MAIL

Case Name: **Insurance Commissioner v. Western General Insurance Co.**

Case No.: **21STCP01655**

John E. McPherson, Esq.
Hinshaw & Culbertson LLP
350 South Grand Ave., Suite 3600
Los Angeles, CA 90071-3476
E-mail: jmcpherson@hinshawlaw.com
Attorneys for Western General Insurance Company

Chris Neilson
Trigild IVL
390 N. Pacific Coast Highway, Suite 3100
El Segundo, CA 90245
(858) 242-1222
E-mail: Chris.Neilson@trigild.com

Colorado Calabasas LLC
c/o Norman Kravetz
21800 Oxnard Street, Suite 500
Woodland Hills, CA 91367
E-mail: nkravetz@rbelc.com

David Wallace, ESQ
General Counsel, Trigild IVL
RE: Receivership Estate of RBE 29899
Agoura, LLC, et al.
8111 Douglas Ave., Ste. 600
Dallas, TX 75225
E-mail: David.Wallace@trigild.com

Warner World, LLC
c/o Norman Kravetz
21800 Oxnard Street, Suite 500
Woodland Hills, CA 91367
E-mail: nkravetz@rbelc.com

Norman Kravetz
Warner World, LLC
c/o Robert Plotkowski, ESQ
2121 Avenue of the Stars, Ste. 2600
Los Angeles, CA 90067-5050

PERKINS COIE LLP
Ronald A. McIntire,
E-mail: RMcIntire@perkinscoie.com
1888 Century Park East, Suite 1700
Los Angeles, California 90067-1721
Telephone: (310) 788-9900
Facsimile: (310) 788-3399
Counsel for Wells Fargo Bank