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6 Attorneys for Applicant

**FILED**  
**AUG 20 1984**  
LEE A. BRANCH, County Clerk  
By \_\_\_\_\_ Deputy

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 FOR THE COUNTY OF ORANGE

11 INSURANCE COMMISSIONER OF THE )  
STATE OF CALIFORNIA, )  
12 )  
Applicant, )  
13 )  
v. )  
14 )  
SURETY INSURANCE COMPANY OF )  
15 CALIFORNIA, a California )  
corporation, )  
16 )  
Respondent. )  
17

NO. 43 01 66  
ORDER APPOINTING  
LIQUIDATOR AND  
RESTRAINING ORDER

Date: August 20, 1984  
Time: 9:30 a.m.  
Dept: 23

18 The verified Application for Order of Liquidation of  
19 Respondent Surety Insurance Company of California came on  
20 regularly for hearing on August 20, 1984, in Department 23 at  
21 9:30 a.m., the Honorable ~~William S. Stafford~~ **ROBERT J. POLIS**, judge presiding,  
22 Applicant appeared by his counsel, John K. Van de Kamp, Attorney  
23 General of the State of California, by Edmond B. Mamer, Deputy  
24 Attorney General, there was no other apperance.

25 IT IS HEREBY ORDERED THAT:

26 1. The Insurance Commissioner of the State of  
27 California is appointed in his official capacity as liquidator of  
28 Respondent Surety Insurance Company of California and directed to

1 liquidate and wind up the affairs of Respondent and to act in all  
2 ways and exercise all powers necessary for the purpose of carrying  
3 out this order;

4           2. Title to all assets of Respondent and the Dennis B.  
5 Merrill Managing Bail General Agency now in the possession of the  
6 Insurance Commissioner as conservator hereof, as well as title to  
7 any assets of said Respondent discovered hereafter wheresoever  
8 situated is hereby vested in said liquidator;

9           3. Said liquidator, as such, is hereby authorized to  
10 pay as expenses of administration, all expenses heretofore  
11 incurred by the conservator of Respondent and presently unpaid and  
12 is hereby authorized to pay the full amount of any checks or  
13 drafts which have been issued by the conservator of Respondent and  
14 which are presently outstanding and unpaid, when said checks or  
15 drafts are presented for payment;

16           4. The rights and liabilities of creditors,  
17 policyholders, shareholders, and all other persons interested in  
18 the assets of Respondent, including the State of California, are  
19 fixed as of the date of entry of this order;

20           5. Respondent and its officers, directors, agents and  
21 employees and all other persons are hereby enjoined and restrained  
22 from transacting any of the business of Respondent or disposing of  
23 any of the assets or property of Respondent wheresoever situated;

24           6. All persons are hereby enjoined and restrained from  
25 interfering with the possession, title and rights of Applicant as  
26 liquidator, in and to the assets of Respondent, and from  
27 interfering with the conduct of the liquidation and the winding up  
28 of the business of Respondent;

1           7. All persons are hereby enjoined from wasting of  
2 assets of Respondent;

3           8. All persons are hereby enjoined from instituting or  
4 prosecuting any action or proceedings against Respondent, the  
5 Dennis B. Merrill Managing Bail General Agency or Applicant as  
6 liquidator of Respondent, without the consent of this court  
7 obtained after reasonable notice to said liquidator;

8           9. All persons are hereby enjoined from obtaining  
9 preferences, judgments, attachments or other liens, or making any  
10 levy against Respondent or its assets or against the Dennis B.  
11 Merrill Managing Bail General Agency without the consent of this  
12 court obtained after reasonable notice to said liquidator;

13           10. All officers, directors, agents and employees of  
14 Respondent are hereby ordered to deliver to said liquidator all  
15 assets, books, records, equipment and other property of said  
16 Respondent wheresoever situated;


17           11. All funds in bank accounts in the name of  
18 Respondent, the Dennis B. Merrill Managing Bail General Agency or  
19 Applicant as conservator, in various banks in the State of  
20 California or any other bank wheresoever situated, are hereby  
21 vested in said liquidator and said funds shall be subject to  
22 withdrawal from said banks upon the order of said liquidator only;

23           12. All insurance agents and brokers are hereby  
24 ordered to account to the liquidator of Respondent for all funds  
25 of Respondent held by them in their fiduciary capacity, as  
26 specified in Sections 1733, 1734 and 1735 of the Insurance Code,  
27 or due to Respondent, and directed to forward said funds to  
28 Applicant as liquidator and said funds are vested in Applicant as

1 liquidator; and

2 13. Said liquidator is hereby authorized to initiate  
3 such equitable or legal actions or proceedings in this or other  
4 states as may appear to him necessary to carry out his functions  
5 as liquidator.

6 DATED: AUG 20 1984

7  
8   
9  
10 ~~William Sheffield~~  
11 Judge of the Superior Court

12 THIS INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL  
ON FILE IN THIS OFFICE

13 ATTEST: AUG 20 1984  
LEE A. BRANCH

14 County Clerk and Clerk of the  
Superior Court of the State of California  
and for the County of Orange

15 BY Janet M. Tillou DEPUTY

16 JANET M. TILLOU



84-362506

RECORDING  
REQUESTED BY

After recording return to:

Insurance Commissioner of the State of California  
ATTN: Ronald G. Rosen  
600 South Commonwealth Avenue  
Los Angeles, California 90005

EXEMPT  
C1

RECORDED IN OFFICIAL RECORDS  
OF ORANGE COUNTY CALIFORNIA

-3 15 PM AUG 29'84

*Lee A. Branch* COUNTY  
RECORDER