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FILED
SUPERIOR COURT
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT
SEP 30 2002
BY *[Signature]*
DEPUTY

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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SAN BERNARDINO

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11 INSURANCE COMMISSIONER OF THE
STATE OF CALIFORNIA,
12
13 Applicant,
14 v.
15 WESTERN CARRIERS INSURANCE
EXCHANGE and WESTERN CARRIERS
16 UNDERWRITERS, its Attorney-in-Fact,
17 Respondents.

Case No. 217529

DECLARATION OF COMPLIANCE BY
INSURANCE COMMISSIONER AS
LIQUIDATOR OF WESTERN CARRIERS
INSURANCE EXCHANGE and WESTERN
CARRIERS UNDERWRITERS, its
Attorney-in-Fact,

Dept: S9

Hon. Leroy A. Simmons

18 I, LOREN SUTER, declare:

19 1. I am the Acting Chief Executive Officer of the Conservation and Liquidation
20 Office ("CLO") and am a Deputy Insurance Commissioner. The statements contained in this
21 declaration are not all within my personal knowledge and I am informed that no single officer
22 of the CLO has personal knowledge of all these matters. The statements herein are based on
23 information assembled by authorized employees of the CLO, and I am informed that the
24 statements based upon that information are true. As to those matters that are within my own
25 personal knowledge, the statements are true. If called upon as a witness, I would testify as set
26 forth herein.

27 2. I am responsible for the supervision and management of the all matters
28 pertaining to all companies for which the Insurance Commissioner has been appointed as

1 conservator or liquidator and which are managed by the CLO, including but not limited to
2 supervision and management by the CLO's financial, investment, accounting, claims, and
3 reinsurance departments and personnel.

4 3. I have overall custody and control of the CLO's files and records pertaining to
5 all estates in conservation and liquidation, including the files and records pertaining to Western
6 Carriers Insurance Exchange and Western Carriers Underwriters, its attorney-in-fact and am
7 responsible for the maintenance of such files and records in the ordinary course of business. I am
8 familiar with the business and record keeping practices of the CLO.

9 4. As Acting Chief Executive Officer of the CLO, I am responsible for all claims,
10 financial, investment, accounting, tax, actuarial, and reinsurance matters pertaining to the
11 liquidation of Western Carriers Insurance Exchange and Western Carriers Underwriters, its
12 attorney-in-fact and am responsible for the manner in which the Western Carriers Insurance
13 Exchange and Western Carriers Underwriters, its attorney-in-fact estate will be concluded.

14 5. On August 5, 2002, this Court entered its Order (1) Settling and Approving
15 Report and Account of Conservator and Liquidator from April 27, 1983 to March 31, 2002; (2)
16 Authorizing Distribution to Claimants; and (3) Terminating Proceeding and Discharging
17 Applicant as Liquidator (the "Order").

18 6. On August 16, 2002, pursuant to paragraph 2 of the Order, wire transfers were
19 made to the Idaho Guarantee Association in the amount of \$5,767 and to the California
20 Insurance Guarantee Association in the amount of \$7,519,231.

21 7. On September 6, 2002, pursuant to paragraph 2 of the Order, wire transfers of
22 the remaining funds, derived from investment activity, were made to the Idaho Guarantee
23 Association in the amount of \$166.04 and to the California Insurance Guarantee Association in
24 the amount of \$216,488.96.

25 8. The Order provided that the Commissioner shall be discharged as Conservator
26 and Liquidator of the Western Carriers Insurance Exchange and Western Carriers
27 Underwriters, its attorney-in-fact estates upon the filing of the declaration that he distributed
28 the assets of the Western Carriers Insurance Exchange and Western Carriers Underwriters, its

1 attorney-in-fact in accordance with the terms of the order. As set forth herein, the Commissioner
2 has transferred all residual assets of Western Carriers Insurance Exchange and Western
3 Carriers Underwriters, its attorney-in-fact and has taken all action necessary pursuant to the
4 terms of the Order, the estate is therefore closed upon the filing of this declaration.

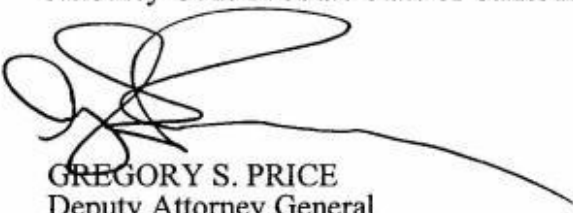
5 I declare under penalty of perjury under the laws of the State of California that the foregoing is
6 true and correct.

7 Executed this 25 day of September 2002, at San Francisco, California.

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10 
11 LOREN SUTER
12 Deputy Insurance Commissioner

13 Dated: October 24, 2002

14 Respectfully submitted,
15 BILL LOCKYER
16 Attorney General of the State of California

17 
18 GREGORY S. PRICE
19 Deputy Attorney General
20 Attorneys for Applicant, Insurance Commissioner
21 of the State of California
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SERVICE LIST

Case Name: *INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA v. WESTERN CARRIERS INSURANCE EXCHANGE, et al.*

Case Number: **San Bernardino Superior Court Case No. 217529**

1. BANK OF REDLANDS
200 E. CITRUS
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2. LAWRENCE MULRYAN, EXECUTIVE DIRECTOR
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3. W. W. KENNEL, ADMINISTRATOR
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DENVER, CO 80222
5. DON W. BEALL, PRESIDENT
WESTERN CARRIERS INSURANCE EXCHANGE
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1460 E. COOLEY DRIVE, STE 100
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8. *ELENA ASTURIAS, ESQ., STAFF COUNSEL
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45 FREMONT ST., 21ST FLOOR
SAN FRANCISCO, CA 94105

*courtesy copy

1 **DECLARATION OF SERVICE BY U.S. MAIL**

2 Case Name: ***INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA v.***
3 ***WESTERN CARRIERS INSURANCE EXCHANGE, et al.***

4 Case Number: **San Bernardino Superior Court Case No. 217529**

5
6 I declare:

7 I am employed in the Office of the Attorney General, which is the office of a member of
8 the California State Bar at which member's direction this service is made. I am 18 years of age
9 or older and not a party to this matter. I am familiar with the business practice at the Office of
10 the Attorney General for collection and processing of correspondence for mailing with the United
11 States Postal Service. In accordance with that practice, correspondence placed in the internal
12 mail collection system at the Office of the Attorney General is deposited with the United States
13 Postal Service that same day in the ordinary course of business.

14 On September 27, 2002, I served the attached

15 **DECLARATION OF COMPLIANCE BY INSURANCE COMMISSIONER**
16 **AS LIQUIDATOR OF WESTERN CARRIERS INSURANCE EXCHANGE**
and WESTERN CARRIERS UNDERWRITER, its Attorney-in-Fact

17 by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid,
18 in the internal mail collection system at the Office of the Attorney General at 110 West "A"
19 Street, Suite 1100, P.O. Box 85266, San Diego, CA 92186-5266, addressed as follows:

20
21 **SEE ATTACHED MAILING LIST**

22
23 I declare under penalty of perjury under the laws of the State of California the foregoing
24 is true and correct and that this declaration was executed on September 27, 2002, at San Diego,
25 California.

26
27 **JOY NAGAL**

28 _____
Typed Name

Joy Nagal

Signature