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REC'D
AUG 31 2005
FILING WINDOW

6 Attorneys for the Insurance Commissioner of the
7 State of California in his capacity as Conservator,
8 Liquidator and Rehabilitator of Executive Life
9 Insurance Company

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF LOS ANGELES

12 INSURANCE COMMISSIONER OF THE
13 STATE OF CALIFORNIA,

14 Applicant,

15 v.

16 EXECUTIVE LIFE INSURANCE
17 COMPANY, a California corporation, and
18 DOES 1 through 1000,

19 Respondents.

No. BS 006912

[PROPOSED] ORDER GRANTING
MOTION OF INSURANCE
COMMISSIONER OF THE STATE OF
CALIFORNIA FOR AN ORDER
APPROVING DISTRIBUTION OF \$100
MILLION OF ALTUS LITIGATION
PROCEEDS PURSUANT TO ELIC
REHABILITATION PLAN

Date: October 12, 2005
Time: 8:30 a.m.
Dep't: 36

HOWARD
RICE
NEMEROVSKI
CANADY
FALK
& RABKIN
A Professional Corporation

1 This matter came before the Court on the motion (the "Motion"),¹ dated August
2 30, 2005, of the Insurance Commissioner of the State of California, in his capacity as
3 conservator, liquidator and rehabilitator (the "Commissioner") of Executive Life Insurance
4 Company ("ELIC"), for an order approving the distribution of \$100 million of Altus
5 Litigation Proceeds pursuant to the ELIC Rehabilitation Plan. Jeffrey L. Schaffer and Ethan
6 P. Schulman of Howard Rice Nemerovski Canady Falk & Rabkin, A Professional
7 Corporation, appeared on behalf of the Commissioner at the hearing on the Motion held by
8 the Court on October 12, 2005 at 8:30 a.m. (the "Hearing"); other appearances at the
9 Hearing were as noted on the record. The Court having considered the papers filed in
10 support of and in opposition or other response to the Motion (including, without limitation,
11 the Motion, the supporting Memorandum of Points and Authorities, and the supporting
12 Declarations of Karl Belgum, Lauren Roberson and Willard Roberts), the arguments of
13 counsel, and all pertinent pleadings filed with the Court; and due and proper notice of the
14 Motion and the Hearing having been given; and after due deliberation and consideration and
15 good and sufficient cause appearing therefor,

16 THE COURT HEREBY ORDERS AND ADJUDGES THAT:

17 1. The Motion is hereby granted; and.
18 2. The Commissioner is hereby authorized to distribute the subject \$100
19 million of Altus Litigation Proceeds (subject to the "de minimis exception" described in Part
20 IV of the Motion) as follows:

21 (a) approximately \$33.9 million to the Opt Out Trust, for distribution to
22 the Opt Out Contract Holders pursuant to the terms of the Opt Out Trust Agreement; and

23 (b) approximately \$66.1 million to Aurora, for distribution by Aurora as
24 follows:

25 (1) such amount as remains due to the PGAs pursuant to Section
26

27 ¹Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in
28 the Motion.

1 17.1.2.2.2(iv) of the Enhancement Agreement, estimated to be approximately \$2 million;
2 and

3 (2) approximately \$64.1 million (by a combination of cash
4 distributions and credits to Restructured Account Values as provided in Section 9.1 of the
5 Rehabilitation Agreement) for the direct benefit of Non-Opt Out Contract Holders (or their
6 non-PGA, third-party subrogees, as applicable) pursuant to Article 10 and Section
7 17.1.2.2.2(iv) of the Enhancement Agreement.
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Hon. Gregory Alarcon
Superior Court Judge

12 W03 083005-155930001/W01/1238485/v2

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