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14 Attorneys for Applicant  
 15 Insurance Commissioner of the State of California

16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
 17 **FOR THE COUNTY OF LOS ANGELES**

19 INSURANCE COMMISSIONER OF THE  
 STATE OF CALIFORNIA,

20 Applicant,

21 v.

22 GOLDEN STATE MUTUAL LIFE  
 23 INSURANCE COMPANY, a California  
 corporation,

24 Respondent.

Case No. BS123005  
 Assigned to Hon. Joanne O'Donnell, Dept. 86

**NOTICE OF REVISED APPLICATION  
 TO APPROVE CONSERVATION AND  
 LIQUIDATION EXPENSES**

[Filed concurrently with Memorandum,  
 Declarations, and Proof of Service]

Date: December 6, 2013  
 Time: 1:30 p.m.  
 Dept: 86

1 **TO: (1) THE LOS ANGELES SUPERIOR COURT;**  
 2 **(2) ALL PERSONS AND ENTITIES KNOWN TO THE COMMISSIONER TO**  
 3 **HAVE A SUBSTANTIAL UNSATISFIED CLAIM THAT MAY BE AFFECTED**  
 4 **BY THE REQUESTED COURT ORDERS; AND**  
 5 **(3) ALL INTERESTED PARTIES.**

6 **PLEASE TAKE NOTICE** that on December 6, 2013, at 1:30 p.m., or as soon thereafter  
 7 as the parties may be heard, in Department 86 of the Los Angeles Superior Court for the State of  
 8 California, County of Los Angeles, located at 111 N. Hill Street, Los Angeles, California 90012  
 9 ("Court"), Applicant Insurance Commissioner of the State of California ("Commissioner") in his  
 10 capacity as Liquidator and former capacity as Conservator of Golden State Mutual Life Insurance  
 11 Company ("Golden State"), will and hereby does submit its Revised Application pursuant to  
 12 Court Orders dated September 13 and October 26, 2012 for:

- 13 1. A Court Order approving the Commissioner's expenses for eight consultants and  
 14 vendors for the twenty-seven month period from September 30, 2009 through December 31,  
 15 2011; and
- 16 2. A Court Order authorizing the Commissioner to take any and all actions necessary  
 17 to accomplish the purposes of the above requested Order.

18 **Grounds for the Application**

19 By Order dated September 13, 2012, the Honorable Robert H. O'Brien granted in part and  
 20 denied in part the Application To Approve Conservation and Liquidation Expenses ("First  
 21 Application") filed by the Commissioner. Specifically, the First Application was granted in part  
 22 as to the fees and expenses for eight of the fifteen consultants/vendors requested in the  
 23 Application, for a total of \$3,001,098.18. The eight consultants whose fees and expenses were  
 24 previously approved by the Court are:

- |    |    |                                    |                |
|----|----|------------------------------------|----------------|
| 25 | 1. | ART Movers:                        | \$ 10,198.71   |
| 26 | 2. | Conservation & Liquidation Office: | \$1,586,348.91 |
| 27 | 3. | Cooke's Crating:                   | \$ 6,740.47    |
| 28 | 4. | Epstein Turner Weiss:              | \$ 912,053.30  |

1	5.	Joshua Solomon	\$ 69,255.10
2	6.	Kane Corporation:	\$ 313,292.19
3	7.	Ultimate Staffing:	\$ 46,189.56
4	8.	Wisener Nunnally Gold, LLP	\$ 57,019.94

5 The Court did not approve the fees and expenses of seven consultants/vendors requested  
6 in the Application based upon documentation deficiencies that the Court at that time concluded  
7 undermine a proper initial determination of the propriety of the fees. The non-approved fees and  
8 expenses are not included in this Revised Application and will be the subject of a separate  
9 application for approval entitled Second Application To Approve Conservation And Liquidation  
10 Expenses.

11 At the conclusion of its September 13, 2012 Order, the Court instructed the Commissioner  
12 to submit a "revised" amount for approval minus the amounts not approved. Thereafter, by Order  
13 dated October 26, 2012, the Court instructed the Commissioner to resubmit its First Application  
14 "excising the disapproved amounts." By this Revised Application and pursuant to the Court's  
15 orders, the Commissioner hereby re-submits his First Application and seeks an order approving  
16 the fees and expenses for the eight consultants/vendors stated above which were approved by the  
17 Court.

18 The delay between the October 26, 2012 Order and the filing of this Revised Application  
19 is due to the Commissioner's now dismissed appeal of Judge O'Brien's September 13 and  
20 October 26, 2012 Orders. On November 9, 2012, due to Judge O'Brien's non-approval of the  
21 fees and expenses of seven consultants/vendors, the Commissioner filed a Notice of Appeal to  
22 preserve appellate rights. Thereafter, on November 20, 2012, in accordance with the October 26  
23 Order, the Commissioner previously filed this Revised Application seeking approval of the  
24 expenses for the eight vendors whose expenses were approved in the September 13th Order.  
25 However, on January 9, 2013, at the hearing on said Revised Application, Judge O'Brien declined  
26 to hear the application on the basis that the Notice of Appeal divested the Court of jurisdiction as  
27 to all matters addressed in the Orders including the eight vendors whose fees were approved. The  
28 Court thereafter issued a minute order stating that the application is "stayed pending appeal."

1 Now, after further research and review of the Court's September 13 and October 26 Orders, the  
2 Commissioner has concluded that the Orders are non-final, non-appealable interim receivership  
3 orders for which additional documentation and information can be submitted to support the fees  
4 and expenses incurred. Accordingly, on August 29, 2013, the Commissioner dismissed the  
5 appeal.

6 This application is made pursuant to *In re Executive Life Insurance Company* (1995) 32  
7 Cal.App.4<sup>th</sup> 344, Insurance Code § 1037 and the Orders of conservation and liquidation for  
8 Golden State, on the grounds that the above-described fees and expenses were necessary for the  
9 conservation and liquidation of Golden State, are within the Commissioner's broad discretion and  
10 authorities under the Court's Order of Liquidation, the Insurance Code and case law, and are  
11 reasonable for the services performed. Court approval of the expenses and fees is appropriate.

12 This application is based on this Notice, the Memorandum of Points and Authorities and  
13 the declarations of Scott Pearce and Michael R. Weiss, and evidence filed concurrently with this  
14 Notice, the pleadings, documents and papers on file in this action, and on such oral and/or  
15 documentary evidence and arguments which may be presented at the hearing on this application.

16 **Copies of Commissioner's Application and Supporting Evidence and Documents**

17 Copies of the Commissioner's Notice, Memorandum with evidence and Proposed Order  
18 supporting this application can be reviewed and downloaded at the Insurance Commissioner's  
19 Conservation & Liquidation Office's website at [www.caclo.org/GoldenStateMutual](http://www.caclo.org/GoldenStateMutual).

20 **Response or Opposition to Application**

21 Any response or opposition to this application shall be filed with the Court and served by  
22 mail or e-mail to Golden State's attorney Michael R. Weiss, with supporting evidence, on or  
23 before November 21, 2013. The Commissioner shall file any replies, with supporting evidence,  
24 on or before November 27, 2013. The address for Golden State's attorney Michael R. Weiss for  
25 service is:  
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No action is required on your part if you do not oppose this Application.

DATE: October 29, 2012

KAMALA D. HARRIS  
Attorney General of California  
FELIX E. LEATHERWOOD  
W. DEAN FREEMAN  
Supervising Deputy Attorneys General  
LISA W. CHAO  
Deputy Attorney General

EPSTEIN TURNER WEISS  
A Professional Corporation

By:   
MICHAEL R. WEISS  
Attorneys for Applicant  
INSURANCE COMMISSIONER OF THE  
STATE OF CALIFORNIA

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16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
17 **FOR THE COUNTY OF LOS ANGELES**

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21 v.

22 GOLDEN STATE MUTUAL LIFE  
23 INSURANCE COMPANY, a California  
corporation,

24 Respondent.  
25

Case No. BS123005  
Assigned to Hon. Joanne O'Donnell, Dept. 86

**NOTICE OF SECOND APPLICATION TO  
APPROVE CONSERVATION AND  
LIQUIDATION EXPENSES**

[Filed concurrently with Memorandum,  
Declarations, and Proof of Service]

Date: December 6, 2013  
Time: 1:30 p.m.  
Dept: 86

1 **TO: (1) THE LOS ANGELES SUPERIOR COURT;**  
2 **(2) ALL PERSONS AND ENTITIES KNOWN TO THE COMMISSIONER TO**  
3 **HAVE A SUBSTANTIAL UNSATISFIED CLAIM THAT MAY BE AFFECTED**  
4 **BY THE REQUESTED COURT ORDERS; AND**  
5 **(3) ALL INTERESTED PARTIES.**

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7 as the parties may be heard, in Department 86 of the Los Angeles Superior Court for the State of  
8 California, County of Los Angeles, located at 111 N. Hill Street, Los Angeles, California 90012  
9 ("Court"), Applicant Insurance Commissioner of the State of California ("Commissioner"), in his  
10 capacity as Liquidator and former capacity as Conservator of Golden State Mutual Life Insurance  
11 Company ("Golden State"), will and hereby does submit its Second Application for:

12 1. A Court Order approving the Commissioner's expenses for seven consultants and  
13 vendors for the twenty-seven month period from September 30, 2009 through December 31,  
14 2011; and

15 2. A Court Order authorizing the Commissioner to take any and all actions necessary  
16 to accomplish the purposes of the above requested Order.

17 **Grounds for the Application**

18 By Orders dated September 13 and October 26, 2012, the Honorable Robert H. O'Brien  
19 granted in part and denied in part the Application To Approve Conservation and Liquidation  
20 Expenses ("First Application") filed by the Commissioner. Specifically, the First Application  
21 was granted in part as to the fees and expenses for eight of the fifteen consultants/vendors  
22 requested in the Application, and denied as to the fees and expenses for seven of the fifteen  
23 consultants/vendors requested in the Application based upon documentation deficiencies that the  
24 Court concluded could undermine a proper initial determination of the propriety of the fees.

25 By this Application and pursuant to the Court's Orders, the Commissioner hereby states  
26 that he has cured the documentation deficiencies stated by the Court in its September 13, 2012  
27 Order and, based on the information and documents submitted herein, seeks an order approving  
28 the fees and expenses for the seven consultants/vendors as follows:

1	1.	Todd Donovan:	\$ 234,816.00
2	2.	INS Consultants:	\$ 290,277.01
3	3.	Manhattan Group:	\$ 496,086.28
4	4.	Larson & Rosenberger:	\$ 209,805.01
5	5.	Bryan, Pendleton:	\$ 53,136.00
6	6.	Lewis & Ellis:	\$ 16,499.15
7	7.	Aloria Character:	<u>\$ 31,473.44</u>
8			\$1,332,092.89

9 The delay between the October 26, 2012 Order and the filing of this Revised Application  
 10 is due to the Commissioner's now dismissed appeal of Judge O'Brien's September 13 and  
 11 October 26, 2012 Orders. On November 9, 2012, due to Judge O'Brien's non-approval of the  
 12 fees and expenses of the seven consultants/vendors, the Commissioner filed a Notice of Appeal to  
 13 preserve appellate rights. After further research and review of the Court's September 13 and  
 14 October 26 Orders, the Commissioner has concluded that the Orders are non-final, non-  
 15 appealable interim receivership orders for which additional documentation and information can be  
 16 submitted to support the fees and expenses incurred. Accordingly, on August 29, 2013, the  
 17 Commissioner dismissed the appeal.

18 This application is made pursuant to *In re Executive Life Insurance Company* (1995) 32  
 19 Cal.App.4<sup>th</sup> 344, Insurance Code § 1037 and the Orders of conservation and liquidation for  
 20 Golden State, on the grounds that the above-described fees and expenses were necessary for the  
 21 conservation and liquidation of Golden State, are within the Commissioner's broad discretion and  
 22 authorities under the Court's Order of Liquidation, the Insurance Code and case law, are  
 23 reasonable for the services performed, and were incurred in maximizing Golden State's  
 24 liquidation estate value. Court approval of the expenses and fees is appropriate.

25 This application is based on this Notice, the Memorandum of Points and Authorities and  
 26 the declarations of Scott Pearce, David E. Wilson, Joseph B. Holloway, Jr., Jennifer Murphy and  
 27 Michael R. Weiss, and evidence filed concurrently with this Notice, the pleadings, documents and  
 28



1 papers on file in this action, and on such oral and/or documentary evidence and arguments which  
2 may be presented at the hearing on this application.

3 **Copies of Commissioner’s Application and Supporting Evidence and Documents**

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5 supporting this application can be reviewed and downloaded at the Insurance Commissioner’s  
6 Conservation & Liquidation Office’s website at [www.cacllo.org/GoldenStateMutual](http://www.cacllo.org/GoldenStateMutual).

7 **Response or Opposition to Application**

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9 mail or e-mail to Golden State’s attorney Michael R. Weiss, with supporting evidence, on or  
10 before November 21, 2013. The Commissioner shall file any replies, with supporting evidence,  
11 on or before November 27, 2013. The address for the Commissioner’s attorney for service is:


12 Michael R. Weiss  
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Email: [mrw@epsteinturnerweiss.com](mailto:mrw@epsteinturnerweiss.com).

17 No action is required on your part if you do not oppose this Application.

18 DATE: October 28, 2013

KAMALA D. HARRIS  
Attorney General of California  
FELIX E. LEATHERWOOD  
W. DEAN FREEMAN  
Supervising Deputy Attorneys General  
LISA W. CHAO  
Deputy Attorney General

EPSTEIN TURNER WEISS  
A Professional Corporation

25 By:   
26 MICHAEL R. WEISS  
27 Attorneys for Applicant  
28 INSURANCE COMMISSIONER OF THE  
STATE OF CALIFORNIA