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**FILED**  
Superior Court of California  
County of Los Angeles  
06/10/2026  
David W. Slayton, Executive Officer / Clerk of Court  
By:           C. Cain           Deputy

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

11 **INSURANCE COMMISSIONER OF THE**  
12 **STATE OF CALIFORNIA,**  
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16 **CRUSADER INSURANCE COMPANY,**  
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Petitioner,

v.

Respondent.

Case No. 23STCP01915

~~PROPOSED~~ **ORDER OF  
LIQUIDATION OF CRUSADER  
INSURANCE COMPANY**

Date: June 10, 2026  
Time: 9:30 a.m.  
Dept: 408  
Judge: Hon. Peter A. Hernandez  
Action Filed: May 31, 2023

20 The Court, having reviewed the ex parte application and supporting papers of Petitioner  
21 Ricardo Lara, in his capacity as the Insurance Commissioner of the State of California  
22 (Commissioner), for an order of liquidation of Crusader Insurance Company (Crusader or  
23 Respondent) pursuant to Insurance Code section 1016, and good cause appearing, the Court finds  
24 that Crusader is insolvent.

25 WHEREFORE IT IS HEREBY ORDERED that:

- 26 1. The Commissioner's status as Conservator of Crusader is terminated and is hereby  
27 appointed as Liquidator of Crusader, pursuant to Insurance Code section 1016; the  
28 Commissioner, as Liquidator, is directed to (i) liquidate and wind up the affairs of Respondent,

1 (ii) conduct the business of Respondent, or so much as thereof may seem appropriate, (iii) pay or  
2 defer payment of all proper claims and obligations against Respondent accruing prior to or  
3 subsequent to his appointment as Liquidator; and he is directed to act in all ways and exercise all  
4 powers necessary for the purpose of carrying out this Order; without limiting the scope of the  
5 foregoing, this Order does not authorize the Commissioner, pursuant to Insurance Code section  
6 1017, to dissolve Respondent or to sell or otherwise transfer its corporate charter and license(s);

7 2. The Commissioner is authorized as Liquidator to take possession of all the assets  
8 of Respondent including books, records, and property, both real and personal, wheresoever  
9 situated.

10 3. Title to all property and assets of Respondent, whether presently in Respondent's  
11 possession or discovered hereafter, wheresoever situated, is hereby vested in the Commissioner as  
12 Liquidator or his successor in office, in his official capacity as such Liquidator; and all persons  
13 are enjoined from interfering with the Commissioner's possession and title thereto;

14 4. The Commissioner as Liquidator is authorized to pay for his costs in bringing and  
15 maintaining this action, and such other actions as are necessary to carry out his functions as  
16 Liquidator, out of the funds and assets of Respondent; and if there are insufficient funds, to pay  
17 his costs out of the Insurance Fund, pursuant to Insurance Code section 1035;

18 5. The Commissioner as Liquidator is authorized to initiate such equitable or legal  
19 actions or proceedings in this or other states as may appear to him necessary to carry out his  
20 functions as Liquidator, including foreclosing on any security interests in favor of Respondent;

21 6. The Commissioner as Liquidator is authorized to appoint and employ special  
22 deputies, estate trust managers, other professionals, clerks, and assistants and to give each of them  
23 such power and authority as he may deem necessary; and the Commissioner as Liquidator is  
24 authorized to compensate these persons from the assets of Respondent as he may deem  
25 appropriate; Joseph Holloway is hereby appointed as Deputy Liquidator empowered to carry out  
26 any and all duties and exercise the authority of the Liquidator granted herein and the Insurance  
27 Code; and Scott Pearce is hereby appointed as Liquidation Manager empowered to carry out any  
28 and all duties and exercise the authority of the Liquidator and Deputy Liquidator, and as may be

1 delegated by the Liquidator and Deputy Liquidator;

2 7. The Commissioner as Liquidator is authorized to divert, take possession of, and  
3 secure all mail of Respondent, in order to screen such mail, and to effect a change in the rights to  
4 use any and all post office boxes and other mail collection facilities used by Respondent;

5 8. The Commissioner as Liquidator is authorized to pay all reasonable costs of  
6 operating Respondent (including direct and allocated direct costs, direct and allocated general and  
7 administrative costs and overhead, and other allocated costs) out of funds and assets of  
8 Respondent; and if there are insufficient funds, to pay for his costs out of the Insurance Fund,  
9 pursuant to Insurance Code section 1035;

10 9. The Commissioner as Liquidator, pursuant to Insurance Code section 1037,  
11 subdivision (g), is authorized to invest and reinvest assets through an investment pool consisting  
12 exclusively of assets from conserved or liquidated estates; providing that, to the extent the  
13 Commissioner as Liquidator invests and reinvests through such an investment pool, such  
14 investments and re-investments may exceed \$100,000;

15 10. The Commissioner as Liquidator is authorized to pay as expenses of  
16 administration all expenses heretofore incurred by the Commissioner as Conservator, to the extent  
17 such expenses are presently unpaid; and the Commissioner as Liquidator is authorized to pay,  
18 upon presentation, the full amount of any checks or drafts which have been issued by him, in his  
19 capacity as Conservator, and which are outstanding;

20 11. The Commissioner as Liquidator, pursuant to Insurance Code section 1037,  
21 subdivision (d), is authorized to dispose of any excess property of Respondent by any  
22 commercially reasonable method, including, but not limited to, sales at public auctions or sales in  
23 bulk to the high bidder;

24 12. The Commissioner as Liquidator is authorized to assume or reject, or to modify,  
25 any executory contracts, including without limitation, any lease, rental, or utilization contract or  
26 agreement (including any schedule to any such contract or agreement), and any license or other  
27 arrangement for the use of computer software or business information systems, to which  
28 Respondent is a party or as to which Respondent agrees to accept an assignment of such contract;

1 providing that the Commissioner as Liquidator is directed to effect any such assumption or  
2 rejection or modification of any executory contract not later than within 120 days after the entry  
3 of this Order, unless such date is extended by application to and further order of this Court; all  
4 executory contracts not expressly assumed by the Commissioner as Liquidator are hereby deemed  
5 rejected; any party to a contract rejected by the Commissioner as Liquidator pursuant to this  
6 Order is permitted to file a proof of claim against the liquidation estate, which claim shall be  
7 treated in accordance with Insurance Code section 1010, et seq.;

8 13. Respondent and all former and present officers, directors, agents, and employees  
9 of Respondent are directed to deliver to the Commissioner as Liquidator all assets, books,  
10 records, equipment, and other property of the Respondent, wheresoever situated;

11 14. All Respondent's funds and assets, including certificates of deposit, bank deposits,  
12 and mutual fund shares, in various financial depository institutions, including banks, savings and  
13 loan associations, industrial loan companies, mutual funds, or stock brokerages, wheresoever  
14 situated, are hereby vested in the Commissioner as Liquidator and subject to withdrawal upon his  
15 order only;

16 15. All persons who maintain records for Respondent, pursuant to written contract or  
17 any other agreement, are ordered to continue to maintain such records and to deliver them to the  
18 Commissioner as Liquidator upon his request;

19 16. All agents of Respondent, and all brokers who have done business with  
20 Respondent, shall make remittances of all funds collected by them or in their hands directly to the  
21 Commissioner as Liquidator; this obligation to remit collected funds is continuing in nature;

22 17. All persons having possession of any lists of policyholders or escrow holders of  
23 Respondent, are ordered to deliver all such lists to the Commissioner as Liquidator; all persons  
24 are enjoined from using any such lists or any information contained therein without the consent of  
25 the Commissioner as Liquidator;

26 18. Respondent and its respective officers, directors, agents, servants, employees,  
27 successors, assigns, affiliates, and other persons or entities under their control, and all persons or  
28 entities in active concert or participation with them, and each of them, shall turn over to the

1 Commissioner as Liquidator any and all records, documentation, charts, and/or descriptive  
2 material of all funds, assets, property (owned beneficially or otherwise), and all other assets of  
3 Respondent, wherever situated, and all books and records of accounts, title documents, and other  
4 documents in their possession or under their control, which relate, directly or indirectly, to  
5 (i) assets or property owned by or held by Respondent or (ii) the business or operations of  
6 Respondent;

7 19. All insurance policies issued by Respondent are hereby terminated and canceled  
8 effective thirty (30) days following the issuance of this Order, and the Commissioner as  
9 Liquidator is directed to notify promptly all policyholders of such policy termination and  
10 cancellation by First Class Mail at the last known address of such policyholders; and the  
11 Commissioner as Liquidator, in his sole discretion, is authorized to terminate and cancel any  
12 policies issued by Respondent that are not covered by the preceding sentence or that were issued  
13 by a fronting insurer and reinsured, in whole or in part, by Respondent;

14 20. In conjunction with this proceeding, all prior injunctions and other orders of this  
15 Court, except to the extent expressly modified herein, are reaffirmed and remain in full force and  
16 effect; and all powers and authority granted to the Commissioner as Liquidator under this Order  
17 are in addition to and not in limitation of the powers of the Commissioner as Liquidator under the  
18 Insurance Code and any other statutory or applicable case law;

19 21. The rights and liabilities of claimants, creditors, shareholders, policyholders,  
20 escrow holders, and all other persons interested in the assets of Respondent, including the State of  
21 California, are fixed as of the date of the entry of this Order prayed for herein;

22 22. All funds and accounts in the name of Respondent, or the Commissioner as  
23 Conservator, in various banks or any other institutions, wheresoever situated, are hereby vested in  
24 the Commissioner as Liquidator and subject to withdrawal at his direction only, and this Order  
25 does not convert funds held in a fiduciary capacity to general assets of the Liquidator;

26 23. Except with leave of court issued after a hearing in which the Commissioner as  
27 Liquidator has received reasonable notice, all persons are enjoined from obtaining preferences,  
28 judgments, attachments or other liens, or making any levy against Respondent or its assets or

1 property, and from executing or issuing or causing the execution or issuance of any court  
2 attachment, subpoena, replevin, levy, execution, or other process for the purpose of impounding  
3 or taking possession of or interfering with or creating or enforcing a lien upon any property or  
4 assets owned or in the possession of Respondent or its affiliates, or the Liquidator appointed  
5 herein, wheresoever situated, and from doing any act interfering with the conduct of said business  
6 by the Commissioner as Liquidator;

7 24. All persons, except by leave of court obtained after reasonable notice to the  
8 Commissioner as Liquidator, are enjoined from accelerating the due date of any obligation or  
9 claimed obligation; exercising any right of set-off; taking, retaining, retaking or attempting to  
10 retake possession of any real or personal property; withholding or diverting any rent or other  
11 obligation; doing any act or other thing whatsoever to interfere with the possession of or  
12 management by the Commissioner as Liquidator of the property and assets, owned or controlled  
13 by Respondent or in the possession of Respondent, or to in any way interfere with said  
14 Commissioner as Liquidator, or to interfere in any manner during the pendency of this proceeding  
15 with the exclusive jurisdiction of this Court over Respondent;

16 25. Respondent, its officers, directors, governors, agents, and employees are enjoined  
17 from (i) transacting any of the business of Respondent, whether in the State of California or  
18 elsewhere, or (ii) disposing of, or assisting any person in the transfer or alienation of, the property  
19 or assets of Respondent, until further order of this Court;

20 26. All persons are enjoined from instituting, prosecuting, or maintaining any action at  
21 law or suit in equity, including but not limited to actions or proceedings to compel discovery or  
22 production of documents or testimony, and matters in arbitration, against Respondent or against  
23 the Commissioner as Liquidator of Respondent, and from attaching, executing foreclosure upon,  
24 redeeming of, or taking any other legal proceedings against, any of the property or assets of  
25 Respondent, and from doing any act interfering with the conduct of said business by the  
26 Commissioner as Liquidator, except upon order from this Court obtained after reasonable notice  
27 to the Commissioner as Liquidator;

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1           27. Any and all provisions of any agreement entered into by and between any third  
2 party and Respondent including, by way of illustration, but not limited to, the following types of  
3 agreements (as well as any amendments, assignments, or modifications thereto) shall be stayed,  
4 and the assertion of any and all rights, remedies relating thereto shall also be stayed and barred,  
5 except as otherwise ordered by the Court, and the Court retains jurisdiction over any cause of  
6 action that has arisen or may otherwise arise under any such provision: financial guarantee bonds,  
7 promissory notes, loan agreements, security agreements, deeds of trust, mortgages,  
8 indemnification agreements, subrogation agreements, subordination agreements, pledge  
9 agreements, assignments of rents or other collateral, financial statements, letters of credit, leases,  
10 insurance policies, guaranties, escrow agreements, management agreements, real estate brokerage  
11 and rental agreements, servicing agreements, attorney agreements, consulting agreements,  
12 easement agreements, license agreements, franchise agreements, or employment contracts that  
13 provide in any manner that selection, appointment, or retention of a conservator or trustee by any  
14 court, or entry of an order such as hereby made, shall be deemed to be, or otherwise operate as a  
15 breach, violation, event of default, termination, event of dissolution, event of acceleration,  
16 insolvency, bankruptcy, or liquidation;

17           28. All persons are enjoined from interfering with the possession, title, and rights of  
18 the Commissioner as Liquidator, in and to the property and assets of Respondent;

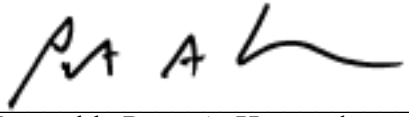
19           29. All persons are enjoined from waste of the assets of Respondent; and

20           30. Any and all claims against Respondent (except those policyholder claims already  
21 pending against Respondent, which are deemed filed), including those which in any way affect or  
22 seek to affect any of the assets of Respondent, wherever or however such assets may be owned or  
23 held, must be filed by no later than March 31, 2027 (the Claims Bar Date), together with proper  
24 proof thereof, in accordance with the provisions of Insurance Code section 1010, et seq.,  
25 including, but not limited to Insurance Code section 1023; and the claim must be timely filed on  
26 the form provided by the Liquidator, together with proper proofs thereof, and must be  
27 supplemented with such further information as the Liquidator requests, in accordance with  
28 Insurance Code section 1023, subdivision (f). As provided in Insurance Code section 1024, any

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claims not filed by the Claims Bar Date shall be conclusively deemed forever waived and no action may be maintained thereon.

Date: 06/10/2026



Honorable Peter A. Hernandez  
Judge of the Superior Court

## **DECLARATION OF SERVICE BY E-MAIL**

**Case Name:** Insurance Commissioner v. Crusader Insurance Co.  
**Case Number:** 23STCP01915

### **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 [Gail.Agcaoili@doj.ca.gov](mailto:Gail.Agcaoili@doj.ca.gov).
4. On May 29, 2026, I electronically served the following document:

**[PROPOSED] ORDER OF LIQUIDATION OF CRUSADER INSURANCE  
COMPANY**

5. I electronically served the aforementioned document by emailing them to the following individuals:

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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 May 29, 2026.

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G. Agcaoili  
Declarant

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/s/ G. Agcaoili  
Signature