

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

KAMALA D. HARRIS  
Attorney General of California  
W. DEAN FREEMAN  
FELIX E. LEATHERWOOD  
Supervising Deputy Attorneys General  
LISA W. CHAO  
Deputy Attorney General  
State Bar No. 198536  
300 South Spring Street, Suite 1702  
Los Angeles, CA 90013  
Telephone: (213) 897-2481  
Fax: (213) 897-5775  
E-mail: Lisa.Chao@doj.ca.gov  
*Attorneys for Petitioner Insurance Commissioner of  
the State of California, in his capacity as the  
Liquidator of Pacific National Insurance Company*

**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER

SEP 29 2011

ALAN CARLSON, Clerk of the Court  
*Alan Carlson*  
BY M. MARQUEZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF ORANGE

**INSURANCE COMMISSIONER OF THE  
STATE OF CALIFORNIA,**  
  
Petitioner,  
  
v.  
  
**PACIFIC NATIONAL INSURANCE  
COMPANY, a California corporation,**  
  
Respondent.

Case No. 03CC01065

**[PROPOSED] ORDER APPROVING  
SECOND INTERIM DISTRIBUTION OF  
ASSETS**

BY FA

Date: September 28, 2011  
Time: 1:30 p.m.  
Dept: C31  
Judge: Honorable Frederick P. Horn

The Verified Application for Order Approving Second Interim Distribution of Assets of the Insurance Commissioner of the State of California ("Commissioner"), in his capacity as Liquidator of Pacific National Insurance Company ("Pacific National"), was heard in Department C31 of the above-entitled court, on September 28, 2011, at 1:30 p.m., the Honorable Frederick P. Horn, presiding.

Having read and considered the Application, the Memorandum of Points and Authorities submitted in support thereof and, argument having been heard and good cause appearing,

///

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

IT IS HEREBY ORDERED that:

1. The Application is granted;

2. The Liquidator is authorized to distribute \$19,000,000 of the assets of Pacific National Insurance Company in liquidation to the California Insurance Guarantee Association; and

3. The Commissioner is authorized to take any and all action necessary to accomplish the purposes of this Order.

Dated: SEP 29 2011

**FREDERICK P. HORN**  
\_\_\_\_\_  
The Honorable Frederick P. Horn  
Judge of the Superior Court

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

Case Name: **Insurance Commissioner v. Pacific National Insurance Co.**  
No.: **03CC01065**

I declare:

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

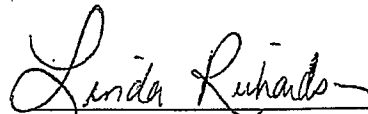
On August 26, 2011, I served the attached **[PROPOSED] ORDER APPROVING SECOND INTERIM DISTRIBUTION OF ASSETS** by placing a true copy thereof enclosed in a sealed envelope in the internal mail collection system at the Office of the Attorney General at 300 South Spring Street, Suite 1702, Los Angeles, CA 90013, addressed as follows:

C. Guerry Collins  
Locke Lord Bissell & Liddell LLP  
300 South Grand Ave., Suite 2600  
Los Angeles, CA 90071  
*Attorneys for California Insurance  
Guarantee Association*

Brian E. Riewe  
Brian E. Riewe, P.C.  
4408 Spicewood Springs Rd.  
Austin, TX 78759  
*Attorneys for Special Deputy Receiver of  
Highlands Insurance Company*

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on August 26, 2011, at Los Angeles, California.

Linda Richardson  
Declarant

  
Signature