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Attorneys for County of Los Angeles

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT**

INSURANCE COMMISSIONER OF THE  
STATE OF CALIFORNIA,

Applicant,

v.

GOLDEN STATE MUTUAL LIFE  
INSURANCE COMPANY, a California  
corporation,

Respondent.

CASE NO. BS123005

**RESPONSE BY COUNTY OF  
LOS ANGELES IN SUPPORT OF  
APPLICATION FOR ORDER  
AUTHORIZING LIQUIDATOR TO SELL  
GOLDEN STATE'S ART COLLECTION;  
DECLARATION OF M. CLARE  
HAGGARTY IN SUPPORT THEREOF**

Assigned to the Hon. Joanne O'Donnell,  
Dept. 86

DATE: August 28, 2015  
TIME: 9:30 a.m.  
DEPT.: 86

1 **TO THE COURT, AND TO ALL PARTIES AND THEIR ATTORNEYS:**

2 The County of Los Angeles ("County") files this response in support of the application by  
3 the Insurance Commissioner of the State of California ("Liquidator") to sell the art collection of  
4 the Golden State Mutual Life Insurance Company ("Golden State Mutual").

5 **I. Introduction**

6 As explained in the Liquidator's application, the County, by and through its Los Angeles  
7 County Arts Commission ("Arts Commission"), desires to purchase and preserve this important  
8 and historic art collection intact and on display for the benefit of County residents and the region.  
9 The terms of the purchase and sale are set forth in the Art Work Sale Agreement attached as  
10 Exhibit 1 to the Liquidator's application.

11 The County supports the Liquidator's application and respectfully requests that the Court  
12 approve the application. The County considers the Golden State Mutual art collection significant  
13 artistically, culturally, and historically, and desires to accession (add) the Golden State Mutual  
14 collection into its current civic art collection. With an already robust civic art program in place, the  
15 County has the resources and the expertise to manage and care for the collection in the long term,  
16 as well as the ability to display the artwork publicly at visitor-serving County facilities. To that  
17 end, the County has executed a letter of intent to partner with the California African American  
18 Museum ("CAAM"), a State museum located in Exposition Park in Los Angeles, to curate and  
19 manage public exhibitions, and to allow CAAM to display the artwork at its museum and in  
20 traveling exhibitions.

21 **II. The County Has the Resources and Expertise to Manage and Care for the Golden**  
22 **State Mutual Collection**

23 Los Angeles County is rich in cultural and artistic offerings. County facilities which  
24 contribute significantly to such offerings include world renowned museums such as the  
25 Los Angeles County Museum of Art and the Natural History Museum of Los Angeles County, and  
26 internationally recognizable performing arts venues such as the Hollywood Bowl, the Walt Disney  
27 Concert Hall, the Music Center, and the John Anson Ford Theatres.

28 The County's Civic Art Program, administered by the Arts Commission, stands on equal

1 footing with these world famous County facilities when it comes to ensuring that all County  
2 residents will have meaningful interactions with art throughout their daily routines and in their  
3 daily lives.

4       Established in 2004, the Civic Art Program seeks, among other things, to provide all  
5 County residents with access to artistic experiences of the highest caliber. (Haggarty Decl., ¶ 2.)  
6 Arts Commission staff work with arts professionals, artists, County departments and communities,  
7 cities, the State of California, and other government agencies to provide hands-on, interactive, and  
8 meaningful art experiences at local County facilities, parks, and other venues. (Id., ¶ 2.)

9       The Civic Art Program currently maintains approximately 340 individual artworks spread  
10 out over approximately 4,000 square miles, from the Antelope Valley to downtown Los Angeles  
11 to Catalina Island. (Id., ¶ 3.) The County civic art collection includes paintings, murals, sculptures,  
12 interactive art exhibits, video art installations, mobiles, and other types of artwork, made of  
13 different materials, from traditional oil paintings to complex fabrications integrated with and  
14 constructed as part of a building's design. (Id., ¶ 3.) The Arts Commission has in-house experts  
15 familiar and experienced with artwork maintenance and conservation requirements, optimum  
16 conditions for the display of sensitive or delicate artwork, and selecting display locations to reach  
17 a diverse and wide audience. (Id., ¶ 3.)

18       As part of the Civic Art Program, Arts Commission staff evaluates certain privately owned  
19 artwork for accession into the County's civic art collection. (Id., ¶ 4.) Such artwork may be offered  
20 to the County by a constituent or donor as a gift, long-term loan, or donation. (Id., ¶ 4.)  
21 Alternatively, the Arts Commission may consider purchasing privately owned artwork which has a  
22 special significance to the County and its residents. (Id., ¶ 4.)

23       The County believes purchase of the Golden State Mutual art collection and accession of  
24 the collection into the County civic art collection is warranted. (Id., ¶ 5.) Golden State Mutual, one  
25 of the largest African-American-owned insurance companies in the United States, was in the  
26 vanguard for its support of the African-American fine art community. Throughout the years, and  
27 under the stewardship of local artist, the late William Pajaud, Golden State Mutual amassed a  
28 collection which includes works by notable local, national, and international artists. The collection

1 is significant not only for the merit of the artwork, but also culturally and historically for the  
2 County community, which was served by Golden State Mutual for many years. (Id., ¶ 5.)

3 **III. The County Intends to Display the Golden State Art Collection in Public Facilities**  
4 **and Intends to Partner with CAAM to Curate and Manage Public Exhibitions of the**  
5 **Artwork**

6 Should this Court approve the Liquidator's application, the County intends to display  
7 portions of the art collection at visitor-serving County facilities, including facilities within the  
8 County's Second Supervisorial District, in which the Golden State Mutual offices were located.  
9 (Haggarty Decl., ¶ 6.) Exhibition in visitor-serving County facilities provides broad access to  
10 artistic experiences of the highest caliber for the residents of the County, including those who  
11 might not otherwise visit art museums or have access to art. (Id., ¶ 6.)

12 The County has identified the Kenneth Hahn Hall of Administration, the Martin Luther  
13 King, Jr. Community Hospital ("MLK Community Hospital"), and the Martin Luther King, Jr.  
14 Outpatient Center ("Outpatient Center"), as potentially appropriate for the display of portions of  
15 the Art Collection. (Id., ¶ 7.)

16 The Kenneth Hahn Hall of Administration is located in downtown Los Angeles and  
17 constitutes the primary administrative offices of the County. (Id., ¶ 8.) The Hall of Administration  
18 accommodates hundreds of visitors and constituents daily, and offers temporary cultural exhibits,  
19 permanent civic art installations, and a display of paintings on loan from the Los Angeles County  
20 Museum of Art. (Id., ¶ 8.) Systems for safely and professionally displaying original artworks are  
21 currently in place. (Id., ¶ 8.) Display of the collection at the Hall of Administration would provide  
22 visitors and employees with the opportunity to view and learn about artwork of particular  
23 significance to the County and the Los Angeles area generally. (Id., ¶ 8.)

24 MLK Community Hospital and the Outpatient Center are new state-of-the-art facilities  
25 recently opened in South Los Angeles, within the County's Second Supervisorial District.  
26 (Id., ¶ 9.) MLK Community Hospital and the Outpatient Center together are expected to provide  
27 care for hundreds of thousands of patients annually. (Id., ¶ 9.)

28 In connection with the construction and renovation of MLK Community Hospital and the



1 Outpatient Center, the County allocated approximately \$1,000,000 to provide new civic artwork  
2 within the facilities, which is the largest ever allocation for a civic art project within the County.  
3 (Id., ¶ 9.) Display of the Golden State Mutual art collection at these facilities will complement new  
4 civic artwork currently in progress. (Id., ¶ 9.)

5 To effectuate the County's plans to display the Golden State Mutual art collection publicly,  
6 on July 31, 2015, the County executed a letter of intent with CAAM. (Id., ¶ 10, Ex. A.) In the  
7 letter of intent, the County and CAAM confirmed their mutual intent to enter into a partnership  
8 agreement for the management of the Golden State Mutual art collection. (Id., Ex A.) Pursuant to  
9 the partnership agreement, and among other things, CAAM will organize and install exhibitions of  
10 the art collection in County facilities designated by the Arts Commission, and the County will loan  
11 portions of the art collection to CAAM for future exhibitions at the museum or for traveling  
12 exhibitions initiated by the museum. (Id., Ex. A, at page 2.)

13 The County-CAAM partnership will ensure the Golden State Mutual art collection reaches  
14 a maximum number of area residents and is curated in a manner that celebrates and informs  
15 viewers of the collection's history and significance.

16 **IV. Conclusion**

17 For these reasons, and for those set forth in the Liquidator's application, the County  
18 respectfully request that the Court grant the Liquidator's application and authorize the Liquidator  
19 to sell the Golden State Mutual art collection to the County per the terms of the purchase and sale  
20 agreement included in the Liquidator's application.

21 DATED: August 7, 2015

Respectfully submitted,

22 MARY C. WICKHAM  
23 Interim County Counsel

24  
25 By

  
26 JOSEPH M. NICCHITTA  
27 Deputy County Counsel

28 Attorneys for County of Los Angeles

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1           4.       As part of my duties for the Arts Commission, I evaluate privately owned artwork  
2 which may be accessioned into (added to) the County civic art collection. Such artwork may be  
3 offered to the County by a private owner as a gift, long-term loan, or donation. Alternatively, the  
4 Arts Commission may purchase privately owned artwork which has a special significance to the  
5 County and its residents.

6           5.       I have evaluated the merits of the Golden State Mutual art collection. I believe the  
7 collection meets the criteria for accession into the County civic art collection and warrants  
8 purchase. The collection is significant not only for the merit of the artwork, but also culturally and  
9 historically for the County community.

10          6.       If the County is able to acquire the Golden State Mutual art collection, the County  
11 intends to display portions of the collection at visitor-serving County facilities, including facilities  
12 within the County's Second Supervisorial District, in which the Golden State Mutual offices were  
13 located. Exhibition in visitor-serving County facilities provides broad access to artistic  
14 experiences of the highest caliber for the residents of the County, including those who might not  
15 otherwise visit art museums or have access to art.

16          7.       The County has identified the Kenneth Hahn Hall of Administration, the Martin  
17 Luther King, Jr. Community Hospital ("MLK Community Hospital"), and the Martin Luther King,  
18 Jr. Outpatient Center ("Outpatient Center"), as potentially appropriate for the display of portions  
19 of the Art Collection.

20          8.       The Kenneth Hahn Hall of Administration is located in downtown Los Angeles and  
21 constitutes the primary administrative offices of the County. I am informed and believe that the  
22 Hall of Administration accommodates hundreds of visitors and constituents daily. The Hall of  
23 Administration offers temporary cultural exhibits, permanent civic art installations, and a display  
24 of paintings on loan from the Los Angeles County Museum of Art. Systems for safely and  
25 professionally displaying original artworks are currently in place. I am informed and believe that  
26 display of the collection at the Hall of Administration would provide visitors and employees with  
27 the opportunity to view and learn about artwork of particular significance to the County and the  
28 Los Angeles area generally.

9. MLK Community Hospital and the Outpatient Center are new state-of-the-art facilities recently opened in South Los Angeles, within the County's Second Supervisorial District. I am informed and believe that MLK Community Hospital and the Outpatient Center together are expected to provide care for hundreds of thousands of patients annually. In connection with the construction and renovation of MLK Community Hospital and the Outpatient Center, the County allocated approximately \$1,000,000 to provide new civic artwork within the facilities, which I am informed and believe is the largest ever allocation for a civic art project within the County. Display of the Golden State Mutual art collection at these facilities will complement new civic artwork currently in progress.

10. On July 31, 2015, the County executed a letter of intent with the California African American Museum regarding the management and display of the Golden State Mutual art collection. A true and correct copy of the letter of intent is attached hereto as **Exhibit A**.

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

Executed on August 7, 2015, at Los Angeles, California.

M. Clare Haggarty



# **EXHIBIT A**

Enriching Lives



1055 Wilshire Boulevard  
Suite 800  
Los Angeles, CA 90017  
Tel 213.202.5858  
Fax 213.580.0017  
[www.lacountyarts.org](http://www.lacountyarts.org)

July 29, 2015

George Davis  
California African American Museum  
600 State Drive, Exposition Park  
Los Angeles, CA 90037

Board of Supervisors

Hilda L. Solis  
Mark Ridley-Thomas  
Sheila Kuehl  
Don Knabe  
Michael D. Antonovich

Commissioners

Claire Peeps  
President  
Bettina Korek  
Vice President  
Pamela Bright-Moon  
Secretary  
Betty Haagen  
Executive Committee  
Araceli Ruano  
Immediate Past President

Eric Hanks  
Helen Hernandez  
Constance Jolecuvar  
Peter Lesnik  
Claudia Margolis  
Richard Montoya  
Alis Clausen Odenthal  
Hope Warschaw  
Rosalind Wyman

Laura Zucker  
Executive Director

Dear Mr. Davis,

By this letter, the Los Angeles County Arts Commission ("LACAC") writes to confirm its intent to enter into a partnership agreement with the California African American Museum ("CAAM") for the management of the art collection of the former Golden State Mutual Insurance Company ("GSM Collection"). The GSM Collection was assembled and owned for many years by the Golden State Mutual Insurance Company ("Company"). In or about 2009, the State Office of Conservation and Liquidation issued a conservation order appointing the State Insurance Commissioner the conservator of the Company. In or about 2011, the State Office of Conservation and Liquidation issued a liquidation order to wind down and dispose of the assets of the Company, including the GSM Collection.

On May 7, 2013, Los Angeles County ("County") submitted a proposal to purchase the GSM Collection to the Insurance Commissioner, in his capacity as liquidator of the Company. The Insurance Commissioner accepted the County's proposal on August 12, 2014. The County and the Insurance Commissioner entered into an Artwork Sale Agreement on May 18, 2015, wherein the County has committed to acquiring the GSM Collection. The purchase and sale agreement is subject to court review and approval, and will become effective upon approval by the court. A hearing to determine court approval is set for August 28, 2015.

The County considers partnerships with local museums to be an important part of managing the GSM Collection. These artworks are what remain of one of the largest corporate collections of African American art in the United States. LACAC has worked closely with CAAM in its efforts to acquire the GSM Collection and ensure that it remain on public display within the County. CAAM is the foremost scholarly institution dedicated to African American art in the region, and has a fundamental understanding of the GSM Collection, having housed and displayed a significant portion of the GSM Collection for approximately three years.

During discussions between LACAC and CAAM, CAAM has disclosed a strong interest in managing certain aspects of the GSM Collection on behalf of the County, and wishes to display portions of the collection at CAAM, all for the benefit of the general public and to ensure continued public access to this important and historic collection.

Based on these discussions, LACAC and CAAM, by signing below, indicate their intent to:

Partner with each other to display for public education and enjoyment all of the GSM Collection, or as much of the GSM Collection as possible, and to ensure long term preservation of the collection;

Work cooperatively with respect to the GSM Collection for the mutual benefit of their respective constituents and patrons; and

Execute a collections management agreement ("Agreement") effective upon court approval of the County's purchase of the GSM Collection, which will more specifically describe the parties' roles, duties and expectations with respect to the GSM Collection. In addition to any other terms and provisions acceptable to the parties, the parties intend that the Agreement will provide and/or include the following:

- (a) CAAM will organize and install exhibitions of the GSM Collection in County facilities designated by LACAC;
- (b) The exhibitions will not exceed three facilities at any given time, and will not exceed 30 artworks per facility;
- (c) The County will loan portions of the GSM Collection to CAAM through separately executed loan agreements for future exhibitions of the collection at CAAM and/or traveling exhibitions initiated by CAAM;
- (d) An initial term of two years ("Initial Term"), with an option available to the County to extend the Agreement for up to two additional consecutive two-year terms ("Extended Terms"), for a maximum total term of six years; and
- (e) A detailed budget, which assigns payment responsibilities for each budget item or other costs incurred to one or both parties.

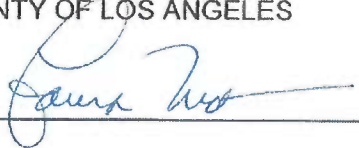
The County has budgeted a maximum of \$40,000 for the Initial Term of the Agreement and \$12,000 for each Extended Term. CAAM will be reimbursed in these maximum amounts for services it provides and costs it incurs under the Agreement.

The Arts Commission is excited to move forward with this partnership with CAAM.

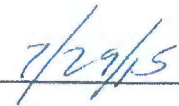
Please indicate your agreement and mutual intent by countersigning this letter.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_



Date: \_\_\_\_\_



Laura Zucker, Executive Director  
Los Angeles County Arts Commission

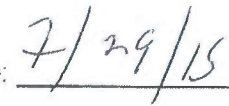
**SO AGREED:**

CALIFORNIA AFRICAN AMERICAN MUSEUM

By: \_\_\_\_\_



Date: \_\_\_\_\_



George Davis  
Executive Director



1 **PROOF OF SERVICE**

2 Case No. BS123005

3 STATE OF CALIFORNIA, County of Los Angeles:

4 Patricia C. Hernandez states: I am employed in the County of Los Angeles, State of  
5 California, over the age of eighteen years and not a party to the within action. My business  
address is 648 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles,  
California 90012-2713

6 That on August 7, 2015 I served the attached

7 **RESPONSE BY COUNTY OF LOS ANGELES IN SUPPORT OF**  
8 **APPLICATION FOR ORDER AUTHORIZING LIQUIDATOR TO SELL**  
9 **GOLDEN STATE'S ART COLLECTION; DECLARATION OF M. CLARE**  
10 **HAGGARTY IN SUPPORT THEREOF**

11 upon Interested Party(ies) by placing ☐ the original ☒ a true copy thereof enclosed in a sealed  
12 envelope addressed ☒ as follows ☐ as stated on the attached service list:

13 Michael R. Weiss, Esq.  
14 Lewis Brisbois Bisgaard & Smith LLP  
633 West 5th Street, Suite 4000  
Los Angeles, California 90071  
Telephone: (213) 250-1800  
Facsimile: (213) 250-7900  
E-Mail: Michael.Weiss@lewisbrisbois.com

15 ☒ **By United States mail.** I enclosed the documents in a sealed envelope or package  
16 addressed to the persons at the addresses on the attached service list (specify one):

- 17 (1) ☐ deposited the sealed envelope with the United States Postal Service, with the  
postage fully prepaid.
- 18 (2) ☒ placed the envelope for collection and mailing, following ordinary business  
19 practices. I am readily familiar with this business's practice for collecting and  
processing correspondence for mailing. On the same day that correspondence is  
20 placed for collection and mailing, it is deposited in the ordinary course of business  
with the United States Postal Service, in a sealed envelope with postage fully  
21 prepaid.

22 I am a resident or employed in the county where the mailing occurred. The  
envelope or package was placed in the mail at Los Angeles, California:

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

25 Executed on August 7, 2015, at Los Angeles, California.

26 Patricia C. Hernandez  
27 (NAME OF DECLARANT)

28   
(SIGNATURE OF DECLARANT)