

ORIGINAL FILED
JAN 24 2006
LOS ANGELES
SUPERIOR COURT

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

JOHN GARAMENDI, Insurance
Commissioner of the State of California,

Applicant,

vs.

MISSION INSURANCE COMPANY, a
California corporation,

Respondent.

Consolidated with Case Numbers

C 576 324; C 576 416;
C 576 323; C 576 325; C 629 709

Case No. C 572 724

Honorable John Shepard Wiley Jr.

**[PROPOSED] ORDER WHICH GRANTS
THE MOTION TO APPROVE CLAIMS
FOR INTERCOMPANY RECEIVABLES**

Hon. John Shepard Wiley Jr.
Action Filed: October 31, 1985
Department: 50
Hearing Date: January 24, 2006
Hearing Time: 8:30 a.m.

1 On this 24th day of January, 2006, this Court heard the Motion filed by the Insurance
2 Commissioner for the inter-company receivables as to Mission Insurance Company Trust and
3 Mission National Insurance Company Trust. No opposition was filed to the Motion. The Motion is
4 GRANTED, and the Insurance Commissioner is authorized to approve the inter-company claims as
5 set forth in the motion.

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7 Signed this 24 day of January, 2006.

8 **JOHN SHEPARD WILEY JR.**

9 Hon. John Shepard Wiley Jr.
10 Judge of the Superior Court
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7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
8 **FOR THE COUNTY OF LOS ANGELES**

9
10 JOHN GARAMENDI, Insurance
Commissioner of the State of California,

11 Applicant,

12 vs.

13 MISSION INSURANCE COMPANY, a
14 California corporation,

15 Respondent.

16 Consolidated with Case Numbers

17 C 576 324; C 576 416;
18 C 576 323; C 576 325; C 629709

) Case No. C 572 724

) Honorable John Shepard Wiley, Jr.

) **NOTICE OF MOTION AND MOTION**
) **TO APPROVE CLAIMS FOR INTER-**
) **COMPANY RECEIVABLES FOR**
) **MISSION INSURANCE COMPANY**
) **TRUST AND MISSION NATIONAL**
) **INSURANCE COMPANY TRUST;**
) **MEMORANDUM OF POINTS AND**
) **AUTHORITIES; DECLARATION OF**
) **MOHSEN SULTAN**

) Action Filed: October 31, 1985

) Department: 50

) DATE: December 30, 2005


) TIME: 8:30 A.M.

1 PLEASE TAKE NOTICE THAT ON THE 17th day of October, 2005, at the hour of
2 8:30 a.m., or as soon thereafter as the matter may be heard, John Garamendi, Insurance
3 Commissioner of the State of California, in his capacity as Trustee of the Mission Insurance
4 Company Trust and the Mission National Insurance Company Trust, will seek approval of the Court
5 regarding the proofs of claim of the companies in liquidation for inter-company obligations. This
6 relief shall be sought pursuant to California Insurance Code Sections 1037, though not required by
7 that provision.

8 Wherefore premises considered, the Insurance Commissioner requests that the proof of claims be
9 approved as set forth in the Declaration of Mohsen Sultan, filed herewith, the exhibits attached to his
10 declaration, and the accompanying memorandum of points and authorities. The Insurance
11 Commissioner also requests all other just and equitable relief.

12 Respectfully submitted,

13 WISENER★NUNNALLY★GOLD, LLP

14
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Memorandum of Points and Authorities

This motion seeks approval of a resolution of proofs of claim regarding inter-company debt filed by Holland America Insurance Company Trust, Mission Insurance Company Trust, Mission National Insurance Company Trust, Mission Insurance Company of Texas, Mission Reinsurance Corp. Trust, and Enterprise Insurance Company Trust. The Insurance Commissioner as Trustee proposes resolution of the proofs of claim subject to the approval of this Court, to resolve the outstanding inter-company obligations of the various companies in receivership.

In this case, various of the affiliated Mission companies filed proofs of claims in each others' liquidation estates seeking to recover for various obligations and expenses incurred as a consequence of their method of operation. The Insurance Commissioner has investigated the various claims and has arrived at balances he believes are appropriate for the resolution of the various proofs of claim. The Insurance Commissioner's Conservation and Liquidation Office staff believe the determination to be a reasonable resolution of this matter. California Insurance Code Section 1037 does not require the Insurance Commissioner to submit claims settlements for court approvals. However, this settlement agreement is filed for approval because it involves the resolution of inter-company claims in a substantial amount. California Insurance Code Section 1037 accords the Insurance Commissioner wide latitude in resolving matters such as these, subject only to abuse of discretion review. Low v. Golden Eagle Ins. Co., 104 Cal.App.4th 306, 128 Cal.Rptr.2d 423 (2002). The Declaration of Mohsen Sultan indicates that the determined amounts are reasonable and appropriate. This Court is accordingly requested to issue an order approving the Insurance Commissioner's determination on the inter-company debt. in the amounts set forth below. This resolution is one more step on the effort to wind up the Mission Insurance Company Trust and Mission National Insurance Company Trust estate.

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Amounts To Be Approved

Mission National

Holland America Ins. Co. Trust	\$0.00
Mission Insurance Co. Trust	\$22,778,041.75
Mission Reinsurance Corp. Trust	\$0.00


Mission

Enterprise Insurance Co. Trust	\$40,205,804.60
Mission Reinsurance Corp. Trust	\$5,246,199.63
Mission National Ins. Co. Trust	\$21,729,090.53
Holland America Ins. Co. Trust	\$11,543,155.84

Conclusion

The Court is requested to approve the disposition of the proofs of claim.

WISENER★NUNNALLY★GOLD, LLP

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7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
8 **FOR THE COUNTY OF LOS ANGELES**

9
10 JOHN GARAMENDI, Insurance
Commissioner of the State of California,

11 Applicant,

12 vs.

13 MISSION INSURANCE COMPANY, a
California corporation,

14 Respondent.
15

16 Consolidated with Case Numbers

17 C 576 324; C 576 416;
18 C 576 323; C 576 325; C 629 709

) Case No. C 572 724

) Honorable John Shepard Wiley Jr.

) **DECLARATION OF MOHSEN**
) **SULTAN IN SUPPORT OF MOTION**
) **TO APPROVE CLAIMS FOR INTER-**
) **COMPANY RECEIVABLES FOR**
) **MISSION INSURANCE COMPANY**
) **TRUST AND MISSION NATIONAL**
) **INSURANCE COMPANY TRUST**

) Hon. John Shepard Wiley Jr.

) Department : 50

) Action filed: October 31, 1985

) Hearing date: December 30, 2005

) Hearing time: 8.30 a.m.
)

1 I, Mohsen Sultan, hereby make this declaration in San Francisco, California, and affirm under
2 penalty of perjury of the laws of the State of California that the following facts are true and correct:

3 1. I am Mohsen Sultan. I am over the age of eighteen years. I am competent to be a witness.
4 I have personal knowledge of the facts to which I attest. I acquired my personal knowledge in my role
5 as the Estate Trust Officer for the Mission Insurance Company Trust and Mission National Insurance
6 Company Trust. I am employed by the Conservation and Liquidation Office ("CLO"), which assists the
7 California Insurance Commissioner with insurance company liquidations and conservations. I am a
8 person qualified to testify as to business records for the Mission Insurance Company Trust and Mission
9 National Insurance Company estates. The records of these estates are maintained by CLO in the
10 ordinary course of CLO business. Regular entries are made into the records in the regular course of
11 business. The writings are made at or near the time of the events set forth therein. As the Estate Trust
12 Officer, I am qualified to attest to the records' status as business records for both estates.

13 2. Mission Insurance Company was placed into liquidation on February 24, 1987. The records
14 reflect that notice was given to known policyholders and creditors for a claims bar date of September
15 12, 1987, and notice was published of the bar date. I am aware that tens of thousands of persons and
16 entities filed proofs of claims, and thousands of those persons and entities updated those claims in 1995
17 in conjunction with an Amended Final Liquidation Dividend Plan including affiliates of the company
18 in liquidation.

19 3. Mission National Insurance Company Trust was placed into liquidation on February 24, 1987.
20 The records reflect that notice was given to known policyholders and creditors for a claims bar date of
21 September 12, 1987, and notice was published of the bar date. I am aware that tens of thousands of
22 persons and entities filed proofs of claims, and thousands of those persons and entities updated those
23 claims in 1995 in conjunction with an Amended Final Liquidation Dividend Plan including affiliates
24 of the company in liquidation.

25 4. Attached as exhibit 1 to this declaration is a listing of the inter-company debt of the Mission
26 companies, prepared by CLO. Exhibit A to exhibit 1 shows the proposed disposition of proofs of claim
27
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1 filed by the various Mission affiliates in the Mission National and Mission estates. Exhibit B to exhibit
2 1 shows the analysis by CLO of the inter-company accounts.

3 5. Based on the accounts between the affiliated Mission companies and the analysis of the CLO
4 of the accounts and proof of claims submitted the proper amounts to be approved on the proofs of claim
5 is:

6 **Mission National**

7	Holland America Ins. Co. Trust	\$0.00
8	Mission Insurance Co. Trust	\$22,778,041.75
9	Mission Reinsurance Corp. Trust	\$0.00

10

11 **Mission**

12	Enterprise Insurance Co. Trust	\$40,205,804.60
13	Mission Reinsurance Corp. Trust	\$5,246,199.63
14	Mission National Ins. Co. Trust	\$21,729,090.53
15	Holland America Ins. Co. Trust	\$11,543,155.84

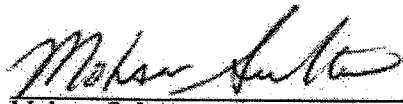
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18 I hereby execute this declaration under the penalty of perjury of the laws of the State of California
19 in San Francisco, California, on the 29th day of November, 2005.

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Mohsen Sultan

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		MISSION COMPANIES TRUSTS INTERCOMPANY PROOFS OF CLAIM DETERMINATIONS			
Mission National					
mic co	lig no	poc claimant	Amount Claimed	Amount Approved	Amount Rejected
3	S09300	HOLLAND AMERICA INS. CO. TRUST	\$102,576.00	\$0.00	\$102,576.00
3	S09310	MISSION INSURANCE CO. TRUST	\$1.00	\$22,778,041.75	\$0.00
3	S09360	MISSION REINSURANCE CORP. TRUST	\$18,285.00	\$0.00	\$18,285.00
3	U15813	MISSION REINSURANCE CORP. TRUST	\$2,737,764.56	\$0.00	\$2,737,764.56
3	U34671	HOLLAND AMERICA INS. CO. TRUST	\$8,018,217.41	\$0.00	\$8,018,217.41
Mission					
mic co	lig no	poc claimant	Amount Claimed	Amount Approved	Amount Rejected
1	S09250	ENTERPRISE INSURANCE CO. TRUST	\$0.00	\$40,205,894.50	\$0.00
1	S09270	MISSION REINSURANCE CORP. TRUST	\$1.00	\$0.00	\$1.00
1	S09290	MISSION NATIONAL INS. CO. TRUST	0.00	\$21,729,090.53	\$0.00
1	S55490	HOLLAND AMERICA INS. CO. TRUST	\$96,841,005.14	\$11,543,155.84	\$85,297,849.30
1	U15812	MISSION REINSURANCE CORP. TRUST	\$11,823,824.21	\$5,246,199.63	\$6,577,624.58
1	U34670	HOLLAND AMERICA INS. CO. TRUST	\$96,841,005.14	\$0.00	\$96,841,005.14
1	U63630	MISSION INSURANCE CO. OF TEXAS	\$0.00	\$0.00	\$0.00

**Mission Estate Intercompany
AS of 12/31/2004****Exhibit A**

Mission Insurance Owes Enterprise Insurance	40,205,804.60
Mission Insurance Owes Holland America Insurance	11,543,155.84
Mission Insurance Owes Mission National Insurance	21,729,090.53
Mission Insurance Owes Mission Reinsurance Corporation	5,246,199.63
Mission National Owes Mission Insurance corporation	22,778,041.75
Enterprise Insurance Owes Holland America Insurance	10,644,646.36
Enterprise Insurance Owes Mission National Insurance	20,066,796.72
Enterprise Insurance Owes Mission Reinsurance Corp	4,844,860.92
Holland America Insurance Owes Mission Insurance	108,195,365.47
Total Intercompany	<u>245,253,961.82</u>

Mission Estate 672, 170, 540, 736 and 655												EXHIBIT B	
Intercompany Accounts Analysis													
	Mission National	Mission National	Mission Insurance	Mission Insurance	Enterprise	Mission RE	Mission RE	Holland America	Holland America				
	MINIC	MINIC	MIC	MIC	EIC	MRC	MRC	HAIC	HAIC			Total	
Description	170,13012 EIC	170,13012 MIC	672,13012 MINIC	672,13012 HAIC	540,13012 MINIC	655,13012 MIC	655,13012 EIC	736,13012 EIC	736,13012 MINIC			171,179,211.83	
Bag Balance												171,179,211.83	
Pooling Jo	20,066,796.72	21,729,090.53				5,246,199.63	4,844,860.92	10,844,646.36	11,526,427.84			74,058,022.00	A
BH 02008									1,183,565.00				
BH 02002									16,728.00			16,728.00	B
Ending Bal	-20,066,796.72	21,729,090.53	22,778,041.75	109,405,658.47	40,205,804.61	5,246,199.63	4,844,860.92	10,844,646.36	10,332,862.84			246,253,961.83	
Bag Balance	540,30002 MINIC	672,30002 MINIC	170,30002 MIC	736,30002 MIC	672,30002 EIC	672,30002 MRC	540,30002 MRC	540,30002 HAIC	672,30002 HAIC			(171,179,211.83)	
Pooling Jo	(20,066,796.72)	(21,729,090.53)	(22,778,041.75)	(109,405,658.47)	(40,205,804.61)	(5,246,199.63)	(4,844,860.92)	(10,844,646.36)	(11,526,427.84)			(74,058,022.00)	A
BH 04502									(16,728.00)			(16,728.00)	B
Ending Bal	(20,066,796.72)	(21,729,090.53)	(22,778,041.75)	(109,405,658.47)	(40,205,804.61)	(5,246,199.63)	(4,844,860.92)	(10,844,646.36)	(11,543,155.84)			(246,253,961.83)	
Net Total									(1,210,293.00)				

A = The entries are prepared from the Pooling agreements between CICA and C.O. in Journal Batch #B7507.

B = This entry is to book the Payable for Refinancing recovery allocation in Journal BH6514.

PROOF OF SERVICE: By Federal Express
(Code Civ. Proc., §§ 1013, 2015.5)

STATE OF TEXAS, COUNTY OF DALLAS.

I am employed in the County of Dallas, State of Texas. I am over the age of 18 and not a party to the within action; my business address is 625 West Centerville Road, Suite 110, Street, Garland, Texas 75041.

On this date, I served the foregoing documents described Notice of Motion and Motion to Approve Claims for Intercompany Receivables; Memorandum of Points and Authorities; Declaration of Mohsen Sultan by placing a copy thereof enclosed in sealed envelopes addressed as follows:

Sent via Federal Express to:

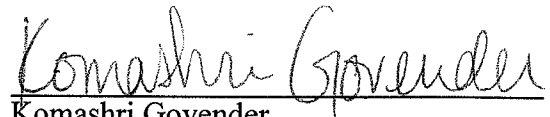
See Attached Exhibit "A".

I am readily familiar with my employer's practices of collection and processing correspondence for mailing with Federal Express and the above-referenced correspondence will be deposited with Federal Express on the same date as stated below, following ordinary course of business.

X (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

___ (Federal) I declare that I am employed by the office of a member of the bar of this court at whose direction the service was made.

Executed on November 29, 2005 at Garland, Texas


Komashri Govender

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