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Exempt from fees pursuant to Govt. Code § 6103

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF NAPA

25CV002569

**[PROPOSED] ORDER APPOINTING
THE COMMISSIONER AS
CONSERVATOR**

Date: December __, 2025
Time:
Dept.:
Judge:
Trial Date: None Set
Action Filed: December 9, 2025

Having considered the Insurance Commissioner of the State of California's ex parte application for an order appointing him as Conservator of First American Title Company of Napa ("First American"), the Court rules as follows:

26 1. The Commissioner is appointed as Conservator (Conservator) of First American
27 and directing him to conduct the business of First American or so much thereof as he deems
28 appropriate;

1 2. The Conservator is authorized, in his discretion, to pay or defer payment of some
2 or all proper claims, expenses, liabilities and obligations of First American, in whole or in part,
3 accruing prior or subsequent to his appointment as Conservator;

4 3. The Conservator is authorized to appoint and employ special deputies, estate
5 managers, other professionals, clerks and assistants and to give each of them such power and
6 authority as he may deem necessary and to compensate these persons from the assets of First
7 American as he may deem appropriate;

8 4. Joseph Holloway is appointed as Deputy Conservator empowered to carry out any
9 and all duties and exercise the authority of the Conservator granted herein and the Insurance
10 Code, and Scott Pearce is appointed as Conservation Manager empowered to carry out any and all
11 duties and exercise the authority of the Conservator and Deputy Conservator, and such duties and
12 authority as may be delegated by the Conservator and Deputy Conservator;

13 5. The Conservator is authorized to assume or reject, or to modify, any executory
14 contract, including without limitation, any lease, rental or utilization contract or agreement
15 (including any schedule to any such contract or agreement), and any license or other arrangement
16 for the use of computer software or business information systems to which First American is a
17 party or as to which it agrees to accept an assignment of such contract. The Conservator is
18 directed to effect any such assumption or rejection or modification of any executory contract not
19 later than 120 days after the date of this Order, unless such date is extended by application to and
20 further order of this Court. It is ordered that all executory contracts that are not expressly
21 assumed by the Conservator shall be deemed rejected;

22 6. The Conservator is authorized to take possession of all of the assets of First
23 American, including books, records and property, both real and personal, accounts, safe deposit
24 boxes, rights of action, and all such assets as may be in the name of First American, wherever
25 situated;

26 7. Title to all property and assets of First American, including deposits,
27 securities, contracts, rights of actions, books, records, and other assets of every type and nature,
28 including both those presently in First American's possession and those which may be discovered

1 hereafter, wherever situated, is vested in the Commissioner in his official capacity as Conservator
2 of First American and/or his successor in office, in his or her official capacity as Conservator,
3 authorizing the Conservator to deal with the same in his own name as Conservator or in the name
4 of First American, and enjoining all persons from interfering with the Conservator's possession
5 and title thereto;

6 8. The Conservator is granted all the powers of the directors, officers, and managers
7 of First American, whose authorities are suspended except as such powers may be re-delegated by
8 the Conservator;

9 9. The Conservator is authorized to terminate compensation arrangements with
10 employees, to enter into new compensation arrangements with employees, including
11 arrangements containing retention incentives, and to hire employees on such terms and conditions
12 as he deems reasonable;

13 10. Except upon the express authorization of the Conservator, First American, its
14 officers, directors, agents and employees are enjoined from transacting any of the business of
15 First American, whether in the State of California or elsewhere, or from disposing of, using,
16 transferring, selling, assigning, canceling, alienating, hypothecating, diminishing, impairing,
17 waiving, limiting or concealing in any manner or in any way, or assisting any person in any of the
18 foregoing, of the property or assets of First American or property or assets in the possession of
19 First American, of any nature or kind, including intangible assets, tax assets and attributes, claims
20 or causes of action, until further order of this Court and further, such persons are enjoined from
21 obstructing or interfering with the Conservator's conduct of his duties as Conservator;

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

1 12. First American and all officers, directors, agents and employees of First American
2 are directed to deliver to, and immediately make available to, the Conservator all assets, books,
3 records, accounts, tax returns, information, computers, tapes, discs, writings, other recordings of
4 information, equipment and other property of First American, wherever situated, in said persons
5 custody or control and further, directing the aforesaid to disclose verbally, or in writing if
6 requested by the Conservator, the exact whereabouts of the foregoing items if such items are not
7 in the possession custody or control of said persons;

8 13. All officers, directors, trustees, employees or agents of First American, or any
9 other person, firm, association, partnership, corporate parent, holding company, affiliate or other
10 entity in charge of any aspect of First American's affairs, either in whole or in part, including but
11 not limited to banks, savings and loan associations, financial or lending institutions, brokers,
12 stock or mutual associations, or any parent, holding company, subsidiary or affiliated corporation
13 or any other representative acting in concert with First American, shall cooperate with the
14 Conservator in the performance of his duties;

15 14. The Conservator is authorized to pay out of the funds and assets of First American
16 all costs and fees incurred in preparing for, bringing and maintaining this action, including the
17 reasonable expenses incurred by the California Department of Insurance prior to the filing of this
18 application, and for such other actions and activities as are necessary to carry out his functions as
19 Conservator. Such payments may include reimbursements for third-party advisory and consulting
20 services incurred by an employee or consultant of the Regulatory Services Group in preparation
21 for conservation of First American;

22 15. The Conservator is authorized to pay all reasonable costs of taking possession of
23 and conserving First American out of the funds and assets of First American;

24 16. The Conservator is authorized to pay all reasonable costs of operating First
25 American as Conservator (including direct and allocated direct costs, direct and allocated general
26 and administrative costs and overhead, and all other allocated costs) out of any and all funds and
27 assets of First American, and if there are insufficient funds, to pay for the costs out of the
28 Insurance Fund pursuant to section 1035;

1 17. All funds and assets, including certificates of deposit, bank
2 accounts, and mutual fund shares of First American, in various financial depositary institutions,
3 including but not limited to banks, savings and loan associations, industrial loan companies,
4 mutual funds or stockbrokerages, wherever situated, shall be vested in the Conservator and
5 subject to withdrawal upon his order only;

6 18. All persons who maintain records for First American, pursuant to
7 written contract or any other agreement, are ordered to maintain such records and to deliver to the
8 Conservator such records upon his request;

9 19. All agents of First American, and all brokers who have done business with First
10 American, are directed to make all remittances of all funds collected by them or in their hands
11 that are payable to First American directly to the Conservator;

12 20. All persons having possession of any lists of policyholders or escrow
13 holders of First American are directed to deliver such lists to the Conservator, and all persons are
14 enjoined from using any such lists or any information contained therein without the consent of the
15 Conservator;

16 21. The Conservator is authorized to initiate such equitable or legal actions or
17 proceedings in this or other states as may appear necessary to him to carry out his functions as
18 Conservator;

19 22. The Conservator is authorized to divert, take possession of and secure all mail of
20 First American, in order to screen such mail, and to effect a change in the rights to use any and all
21 post office boxes and other mail collection facilities used by First American;

22 23. First American and its officers, directors, agents, servants, employees, successors,
23 assigns, affiliates, and other persons or entities under their control and all persons or entities in
24 concert or participation with First American, and each of them, shall turn over to the Conservator
25 all records, documentation, charts and/or descriptive materials of all funds, assets, property
26 (owned beneficially or otherwise), all books and records of accounts, title documents and other
27 documents in their possession or under their control, which relate directly or indirectly to assets
28 or property owned or held by First American or to the business or operations of First American,

1 and all other assets of First American wherever situated;

2 24. Except upon further order of the Court issued after a hearing in which the
3 Conservator has received reasonable notice, all persons are enjoined from obtaining preferences,
4 judgments, attachments or other liens, or making any levy against First American or its assets or
5 property, from executing or issuing or causing the execution or issuance of any court
6 attachment, subpoena, replevin, execution or other process for the purpose of impounding or
7 taking possession of or interfering with or creating or enforcing a lien upon any property or assets
8 owned or in the possession of First American or the Conservator, wherever situated, and from
9 doing any act interfering with the conduct of said business by the Conservator;

10 25. Except upon further order of the Court issued after a hearing in which the
11 Conservator has received reasonable notice, all persons are enjoined from accelerating the due
12 date of any obligation or claimed obligation, from exercising any right of set-off, from taking,
13 retaining, retaking or attempting to retake possession of any real or personal property, from
14 withholding or diverting any rent or other obligation, from doing any act or other thing
15 whatsoever to interfere with the possession of or management by the Conservator of the property
16 and assets, owned or controlled by First American or in the possession of First American, from
17 interfering in any way with the Conservator, or from interfering in any manner during the
18 pendency of this proceeding with the exclusive jurisdiction of this Court over First American and
19 its assets;

20 26. Any and all provisions of any agreement as well as any amendments, assignments,
21 or modifications thereto entered into by and between any third party and First American,
22 including but not limited to financial guarantee bonds, promissory notes, loan agreements,
23 security agreements, deeds of trust, mortgages, indemnification agreements, subrogation
24 agreements, subordination agreements, pledge agreements, assignments of rents or other
25 collateral, financial statements, letters of credit, leases, insurance policies, guaranties, escrow
26 agreements, management agreements, real estate brokerage and rental agreements, servicing
27 agreements, attorney agreements, consulting agreements, easement agreements, license
28 agreements, tax sharing agreements, franchise agreements, or employment contracts that provide

1 in any manner that selection, appointment or retention of a conservator, receiver or trustee by any
2 court, or entry of any order deemed to be, or otherwise operate as, a breach, violation, event of
3 default, termination, event of dissolution, event of acceleration, insolvency, bankruptcy, or
4 liquidation, shall be stayed, and the assertion of any and all rights and remedies relating thereto
5 shall also be stayed and barred, except as otherwise ordered by this Court, and this Court shall
6 retain jurisdiction over any cause of action that has arisen or may otherwise arise under any such
7 provision;

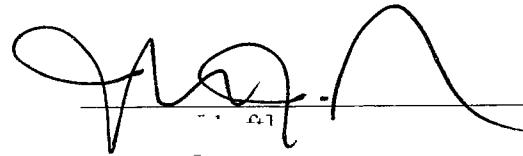
8 27. The Conservator is authorized to invest and reinvest First American assets and
9 funds in such a manner as he deems suitable for the best interest of First American creditors.
10 However, no investment or reinvestment shall be made exceeding the sum of \$100,000 without
11 first obtaining permission of this Court, except the Conservator may make investments or
12 reinvestments in excess of \$100,000, but not exceeding \$5,000,000 per investment or
13 reinvestment, without prior approval if such investments or reinvestments are made pursuant to
14 any provisions of the existing investment guidelines and investment programs of First American
15 that the Conservator determines are prudent and appropriate to continue. Such investment
16 guidelines shall be applicable only to non-pledged and or unencumbered assets in the estate;

17 28. The Conservator is authorized to pay such priority liabilities during conservation
18 as the Commissioner, as statutory conservator, shall determine appropriate and to immediately
19 reserve against the full payment of such expenses; and

20 29. All persons are enjoined from the waste of the assets of First American.

21
22 IT IS SO ORDERED.

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24 Date: DEC 19 2025



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JOSEPH J. SOLGA