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15 Insurance Commissioner of the State of California

16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
17 **FOR THE COUNTY OF LOS ANGELES**

18  
19 INSURANCE COMMISSIONER OF THE  
STATE OF CALIFORNIA,

20 Applicant,

21 v.

22 GOLDEN STATE MUTUAL LIFE  
23 INSURANCE COMPANY, a California  
corporation,

24 Respondent.

Case No. BS123005  
Assigned to Hon. Joanne O'Donnell, Dept. 86

**MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT OF  
APPLICATION FOR THIRD ORDER  
CONTINUING CLAIMS BAR DATE:  
CONTINUANCE REQUESTED TO  
DECEMBER 31, 2014; AND  
DECLARATIONS OF SCOTT PEARCE  
AND MICHAEL R. WEISS**

[Filed concurrently with Notice, Proposed  
Order and Proof of Service]

Date: December 6, 2013  
Time: 9:30 a.m.  
Dept: 86

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**MEMORANDUM IN SUPPORT OF APPLICATION FOR THIRD ORDER CONTINUING CLAIMS BAR  
DATE; AND DECLARATIONS OF SCOTT PEARCE AND MICHAEL R. WEISS**

1 **I. INTRODUCTION**

2 This Application seeks the Court's approval for Applicant Insurance Commissioner of the  
3 State of California ("Commissioner") in his capacity as Liquidator of Golden State Mutual Life  
4 Insurance Company ("Golden State") to continue the Claims Bar Date from its current date of  
5 December 31, 2013, to a new date of December 31, 2014. Continuing the bar date also continues  
6 the date for publication in newspapers of notice of the Claims Bar Date from June 30, 2013 to  
7 June 30, 2014. The Claims Bar Date was previously continued from December 31, 2011 to  
8 December 31, 2013 by Orders dated September 28, 2011 and July 20, 2013 for the same reasons  
9 set forth herein. The Claims Bar Date is the date that claims against Golden State's assets must  
10 be filed with the Commissioner.

11 This Application is necessary to conserve estate assets. Golden State's current estimated  
12 net asset deficiency is at least \$9,164,300 as of June 30, 2013. Depending on the results of the  
13 sales of Golden State's remaining real estate currently valued at approximately \$291,500, the  
14 outcome of the approval hearing concerning the \$550,000 settlement of the quiet title action by  
15 Community Impact Development II, LLC ("CID") regarding the murals, and the outcome of the  
16 monument designation by the City of Los Angeles regarding the murals, Golden State may not  
17 possess sufficient assets to permit significant distribution to certain priority classes of claimants.  
18 As such, pursuant to Insurance Code § 1021(a), the Commissioner may decline to handle claims  
19 from certain classes of claimants or decline to continue the liquidation.

20 Although the Commissioner has not made such determinations at this time, in the event  
21 such determinations are made in the future, by this application the Commissioner presently seeks  
22 to avoid the significant administrative costs of preparing and mailing proofs of claim packages to  
23 over 2,200 potential claimants, publishing notice in newspapers, and handling the returned proofs  
24 of claim packages from claimants, which costs continue to be estimated to be at least \$71,851.

25 The requested continuance will permit the Commissioner additional time to evaluate  
26 whether such determinations are necessary and thereby, in the interim, conserve and monetize  
27 assets for claimants in Priority classes who may receive distributions. Without the continuance,  
28 the Commissioner presently will need to handle the claims process and incur the necessary

1 administrative expenses to do so without firm knowledge there will be material assets to  
2 distribute.

3 As discussed below, there is good cause for the requested continuance of the Claims Bar  
4 Date.

5 1. The continuance presently will avoid potentially unnecessary administrative  
6 expenses associated with the claims process pending further information on the results of real  
7 estate sales, the outcome of the approval hearing concerning the \$550,000 settlement of CID's  
8 quiet title action regarding the murals set for December 6, 2013, and the City of Los Angeles  
9 monument designation of the murals.

10 2. There is no prejudice to any claimants or interested persons in Golden State's  
11 estate. The only change in the claim administration process is that the Claims Bar Date and  
12 newspaper publication of that date are continued for an additional twelve months to December 31,  
13 2014, to avoid potentially unnecessary expenses.

14 3. The continuance is not expected to delay the claims process, as no distributions are  
15 likely until the real estate is sold and the issues regarding the murals are resolved.

16 4. The orders requested herein are consistent with the Commissioner's authorities and  
17 discretion under the Court's prior orders, the Insurance Code and case law.

18 Accordingly, the Court should grant this Application and authorize the continuance of the  
19 Claims Bar Date to December 31, 2014.

## 20 **II. FACTUAL BACKGROUND.**

21 On January 28, 2011, this Court terminated the Commissioner's status as Conservator,  
22 ordered and appointed the Commissioner to serve as Liquidator of Golden State, and upon the  
23 Commissioner's request established December 31, 2011 as the Claims Bar Date. (Declaration of  
24 Scott Pearce ("Pearce Dec."), ¶ 6; Order Appointing Liquidator, ¶ 32, Exhibit 1.)

25 On September 28, 2011 and July 20, 2012, this Court granted the Commissioner's first  
26 and second applications to continue the Claims Bar Date to December 31, 2012 and December 31,  
27 2013. (Declaration of Michael R. Weiss ("Weiss Dec."), ¶ 6; Orders Granting Liquidator's  
28 Application For Order Continuing Claims Bar Date, Exhibits 2 and 3.)

1 The Commissioner was appointed Liquidator because Golden State was and remains  
 2 insolvent in that, as of September 30, 2010, Golden State's estimated liabilities of \$9,291,895  
 3 exceeded its estimated remaining assets of \$5,721,154 by over \$3.5 million. (Pearce Dec., ¶ 7;  
 4 Order Appointing Liquidator, ¶ 32.)

5 The June 30, 2013 financials reflect an increase in the estimated net asset deficiency to  
 6 \$9,164,300, in that as of June 30, 2013 estimated liabilities are \$9,795,100 and remaining  
 7 estimated assets are \$630,900. The increase is due primarily to the addition of estimated  
 8 liabilities of at least \$1,664,200 owed to insurance guarantee associations for their assumption of  
 9 non-transferred policy obligations and at least \$5,124,800 owed to the Pension Benefit Guarantee  
 10 Corporation for its assumption of Golden State's un-funded pension obligations. (Pearce Dec., ¶¶  
 11 8-11; Exhibit 4.)

12 Currently there are two categories of Golden State's assets to be liquidated by the  
 13 Commissioner: (1) real estate valued at approximately \$291,500, and (2) artwork and murals  
 14 whose value is estimated to be at least \$753,200. (Pearce Dec., ¶ 12.) The balance of the real  
 15 estate remains for sale, and the sale of the artwork and murals is delayed pending resolution of the  
 16 quiet title lawsuit commenced by CID, and the monument designation by the City of Los Angeles,  
 17 as well as further evaluation by the Commissioner of the value of the artwork and murals once  
 18 confirmed to be Golden State's personal property. (Pearce Dec., ¶ 12.)

### 19 **III. STATUTORY SCHEME.**

#### 20 **A. Establishment of Claims Bar Date.**

21 After issuance of an order to liquidate an insurer, the Commissioner establishes a claims  
 22 bar date by which claimants are required to file their claims against the insurer, and thereafter  
 23 publishes in newspapers notice of the claims bar date to the insurer's policyholders, creditors,  
 24 shareholders and all other persons interested in the insurer's assets. (Insurance Code §§ 1021(a)<sup>1</sup>

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25  
 26 <sup>1</sup> Insurance Code § 1021(a) states: "Upon the making of an order to liquidate the [insurer's  
 27 business], the commissioner shall publish notice to [the insurer's] policyholders, creditors,  
 28 shareholders, and all other persons interested in [the insurer's] assets. The order and the notice  
 shall require claimants to file their claims with the commissioner, together with proper proofs

1 and 1022.) The notice is to be "published in a newspaper of general circulation ... in the county in  
 2 which the proceeding is pending, and in the Counties of Alameda, Los Angeles, Sacramento, San  
 3 Diego, San Francisco, and Santa Clara, not less than once a week for four consecutive weeks."  
 4 (Insurance Code § 1022.)

5 **B. Commissioner Can Decline To Handle Claims.**

6 Notwithstanding the establishment of a claims bar date and newspaper publication, if the  
 7 Commissioner determines that an insolvent insurer is not likely to possess sufficient assets to  
 8 permit significant distribution to certain priority classes of claimants<sup>2</sup>, then pursuant to Insurance  
 9 Code § 1021(a)<sup>3</sup> the Commissioner may decline to handle certain claims from classes of

10  
 11 thereof, within six months to one year, at the commissioner's discretion, after the date of first  
 12 publication of such notice, in the manner specified in [§ 1010 et seq]."

13 <sup>2</sup> The distribution priorities are established in Insurance Code § 1033, which states that funds  
 14 available are distributed in the following order:

- 15 (1) Expense of administration.
- 16 (2) All claims of the California Insurance Guarantee Association or the California  
 17 Life and Health Insurance Guarantee Association, and associations or entities  
 performing a similar function in other states, together with claims for refund of  
 unearned premiums and all claims under insurance and annuity policies or  
 contracts, including funding agreements, of an insolvent insurer that are not  
 covered claims.
- 18 (3) Claims having preference by the laws of the United States.
- 19 (4) Unpaid charges due under the provisions of Section 736.
- 20 (5) Taxes due to the State of California.
- 21 (6) Claims having preference by the laws of this state.
- 22 (7) Claims of creditors not included in paragraphs (1) to (6), inclusive.
- 23 (8) Certificates of contribution, surplus notes, or similar obligations, and premium  
 24 refunds on assessable policies.
- 25 (9) The interests of shareholders or other owners in any residual value in the  
 26 estate.

27 <sup>3</sup> Insurance Code § 1021(c) states: "Notwithstanding the provisions of subdivision (a), both of the  
 28 following apply:

29 (1) If the commissioner determines that the business subject to liquidation order possesses,  
 30 or is likely to possess, insufficient assets to permit significant distribution to a person interested in  
 those assets, the commissioner may decline to handle a claim submitted pursuant to subdivision  
 (a), as long as the notice requirements of subdivision (a) and Section 1022 are observed.

(2) If the commissioner reasonably determines that the business subject to liquidation  
 order possesses, or is likely to possess, insufficient assets to permit significant distribution of  
 funds to pay the expenses of administration under this article, as provided in paragraph (1) of

claimants. Further, if the Commissioner determines that the insolvent insurer is not likely to possess sufficient assets to pay the administrative expenses to liquidate the insurer, then the Commissioner may decline to continue, and may abandon, the liquidation. By way of example only, if there are insufficient assets to pay claimants in Priorities 5 through 9, then using assets to handle such claims lessens assets available to pay claimants in Priorities 1 through 4; so the Commissioner could decide not to handle claims in Priority classes 5 through 9.

#### IV. ARGUMENT

##### A. The Claims Bar Date And Newspaper Publication Should Be Continued To December 31, 2014.

The Commissioner has not determined that Golden State will have insufficient assets to permit significant distribution to any person interested in Golden State's assets, and has not determined that Golden State is likely to possess insufficient assets to pay the administrative expenses to liquidate Golden State. (Pearce Dec., ¶ 13.) However, depending on the results of the sales of Golden State's remaining real estate, the outcome of the quiet title action by CID, and the outcome of the monument designation by the City of Los Angeles, such determinations are possible in light of Golden State's current estimated net asset deficiency of at least \$9,164,300 and the anticipated administrative costs and expenses of these actions. (Pearce Dec., ¶ 13.)

Golden State's real estate is valued at approximately \$291,500. The remaining real estate remains slow to sell in the current economic environment and currently remains marketed for sale. The murals are the subject of a quiet title lawsuit filed by CID in which CID seeks ownership of the murals. A settlement with CID was recently reached in which CID agreed to pay \$550,000 to Golden State to resolve the dispute. The settlement is subject to this Court's approval and a court hearing requesting such approval is scheduled concurrently with this Application for December 6, 2013. The murals also are the subject of a monument designation by

subdivision (a) of Section 1033, the commissioner may decline to continue, and may abandon, the insolvency proceeding upon providing notice pursuant to subdivision (a) and Section 1022."

the City of Los Angeles, which has caused Golden State to file a petition for writ of mandate proceeding, which is currently stayed pending a determination on CID's lawsuit. The writ petition will be dismissed upon approval of the settlement with CID. The final realized value of the real estate and murals, as well as the artwork, will greatly impact the assets available for distribution to creditors and will impact the Commissioner's determinations of whether Golden State has sufficient assets to permit distributions to certain classes of claimants. (Pearce Dec., ¶¶ 8-14; Weiss Dec., ¶ 5.)

Because of the potential for such determinations, by this application the Commissioner seeks to presently avoid the significant administrative costs of preparing and mailing proofs of claim packages to over 2,200 potential claimants, publishing notice in numerous newspapers, and handling the returned proofs of claim packages and expected numerous inquiries from claimants. The cost to mail proofs of claim packages and handle the initial stages of the proof of claim process is estimated by the Commissioner to be at least \$40,000, and the cost to publish notice in the required newspapers is estimated by the Commissioner to be at least an additional \$31,851; for a total of at least \$71,851 (Pearce Dec., ¶ 15; Weiss Dec., ¶ 3.)

For these reasons, the Claims Bar Date should be continued from its current date of December 31, 2013 to December 31, 2014; which in turn will postpone the publication date to June 30, 2014.

**B. There Is No Prejudice To Any Claimants Or Interested Persons In Golden State's Estate.**

The only change in the claim administration process is that the Claims Bar Date and newspaper publication of that date are continued for an additional twelve months to December 31, 2014, to avoid potentially unnecessary expenses. (Pearce Dec., ¶ 16.)

**1. The continuance is not expected to delay the claims process.**

The requested continuance of the Claims Bar Date and the newspaper publication is not expected to delay the claims process because until the real estate is sold and the mural ownership issues are resolved, no payments could be made to creditors in any event. It is currently unknown when the remaining real estate will be fully sold. (Pearce Dec., ¶ 17.)

1 It is anticipated that claimants will not recover any monies in the years 2013 or 2014; and  
2 therefore, there is no anticipated delay in the claims process. (Pearce Dec., ¶ 17.)

3 **2. The requested continuance is beneficial to claimants to avoid the**  
4 **potentially unnecessary expenditure of Golden State's assets.**

5 As discussed above, if the Commissioner determines that an insolvent insurer is not likely  
6 to possess sufficient assets to permit significant distribution to certain priority classes of  
7 claimants, then the Commissioner may decline to handle certain claims from classes of claimants.  
8 For example only, if there are insufficient assets to pay claimants in Priorities 5 through 9, then  
9 using assets to handle such claims lessens assets available to pay claimants in Priorities 1 through  
10 4; so the Commissioner would seek not to do so.

11 Accordingly, the requested continuance will permit the Commissioner additional time to  
12 evaluate whether such determinations are necessary and thereby, in the interim, conserve and  
13 monetize assets for claimants in Priority classes who may receive distributions. Without the  
14 continuance, the Commissioner will presently need to handle the claims process and incur the  
15 necessary administrative expenses to do so without firm knowledge there will be material assets  
16 to distribute. (Pearce Dec., ¶ 18.)

17 **C. The Orders Requested Herein Are Consistent With The Commissioner's**  
18 **Authorities And Discretion Under The Court's Orders, The Insurance Code**  
19 **And Case Law.**

20 The requested Court Orders are authorized and consistent with the Commissioner's  
21 authorities and discretion under the Court's prior orders, the Insurance Code and California case  
22 law – all of which grants broad powers to the Insurance Commissioner as conservator and  
23 liquidator of insurance companies, as discussed below.

24 First, pursuant to the Order Appointing Liquidator, the Commissioner is "authorized ... to  
25 do such other acts as are necessary or expedient to collect, conserve, protect and/or liquidate  
26 Golden State's assets, property and business." (Order of Liquidation, ¶ 5.)



Second, Insurance Code § 1037, entitled "Powers of commissioner as conservator or liquidator," provides broad powers to the Insurance Commissioner as conservator and liquidator of insurance companies, and state in pertinent part:

Upon taking possession of the property and business of any person in any proceeding under this article, the commissioner, exclusively and except as otherwise expressly provided by this article, either as conservator or liquidator:

(a) [Conservation of assets; conduct of business.] Shall have authority to collect all moneys due that person, and to do such other acts as are necessary or expedient to collect, conserve, or protect its assets, property, and business, and to carry on and conduct the business and affairs of that person or so much thereof as to him or her may seem appropriate.

....  
[General powers.] The enumeration, in this article, of the duties, powers and authority of the commissioner in proceedings under this article shall not be construed as a limitation upon the commissioner, nor shall it exclude in any manner his or her right to perform and to do such other acts not herein specifically enumerated, or otherwise provided for, which the commissioner may deem necessary or expedient for the accomplishment or in aid of the purpose of such proceedings.

Third, California case law supports the broad grant of powers accorded the Insurance Commissioner to transfer assets when he is conserving, rehabilitating, and/or liquidating insurance companies. For instance, in *In Re Executive Life Insurance Company* (1995) 32 Cal.App.4th 344, the Court of Appeal stated that:

The Commissioner is an officer of the state (*Caminetti v. Pac. Mutual L. Ins. Co.* (1943) 22 Cal.2d 344, 354 [139 P.2d 908]) who, when he or she is a conservator, exercises the state's police power to carry forward the public interest and to protect policyholders and creditors of the insolvent insurer. (*Carpenter v. Pacific Mut. Life Ins. Co.* (1937) 10 Cal.2d 307, 330-331 [74 P.2d 761].)

In exercising this power, the Commissioner is vested with broad discretion. (*Commercial Nat. Bank v. Superior Court* [(1993)] 14 Cal.App.4th [393] at p. 402.) This discretion is subject to statutory limitations (see *id.* at p. 409) and the requirement that the exercise of discretion be neither arbitrary nor improperly discriminatory. (*Carpenter v. Pacific Mut. Life Ins. Co.*, *supra*, 10 Cal.2d at p. 329.) The Commissioner as conservator of the insolvent insurer is also a trustee for the benefit of all creditors and other persons interested in the insolvency estate. ([Insurance Code] § 1057.)

(*In Re Executive Life*, *supra*, at p. 356.)

1 The Court concluded that:

2 . . . The trial court reviews the Commissioner's actions under the abuse of  
3 discretion standard. (*Commercial Nat. Bank v. Superior Court, supra*, 14  
4 Cal.App.4th 393, 398): was the action arbitrary, i.e. unsupported by a rational  
5 basis, or is it contrary to specific statute, a breach of the fiduciary duty of the  
conservator as trustee, or improperly discriminatory?

6 (*In Re Executive Life, supra*, at p. 358.)

7  
8 **V. NOTICE OF THIS APPLICATION.**

9 The Commissioner is not aware of any persons or entities who will be adversely affected  
10 by this application. Nonetheless, the Commissioner has provided written notice of this  
11 application to Certificate of Contribution holders. Additionally, due to prior requests to receive  
12 copies of court filings in this matter, the Commissioner has provided notice of this application to  
13 The National Organization of Life and Health Insurance Guaranty Associations and its attorneys,  
14 Community Impact Development II, LLC, and Pitney Bowes, Inc. The above described persons  
15 and entities are listed on the Proof of Service filed concurrently herewith. (Weiss Dec., ¶ 4; and  
16 Proof of Service.)

17  
18 **VI. CONCLUSION**

19 In sum, there is good cause for the Court to grant this application. Accordingly, the  
20 Commissioner requests that the Court grant this application and issue the following orders:

- 21 1. An Order authorizing the continuance of the Claims Bar Date to December 31,  
22 2014; and
- 23 2. An Order authorizing the Commissioner to take any and all actions necessary to  
24 accomplish the purposes of the Orders requested above.

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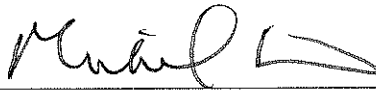
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1 DATE: October 28, 2013

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8 By:   
9 MICHAEL R. WEISS  
10 Attorneys for Applicant  
11 INSURANCE COMMISSIONER OF THE  
12 STATE OF CALIFORNIA  
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# **DECLARATION OF SCOTT PEARCE**

**DECLARATION OF SCOTT PEARCE**

I, Scott Pearce, declare as follows:

1. I have personal knowledge of the facts and circumstances set forth in this declaration, and if called upon to do so, I could and would competently testify thereto.

2. I am the Senior Estate Trust Officer for the Insurance Commissioner's Conservation & Liquidation Office. Starting on September 30, 2009, and continuing to the present, I have been and currently am the Estate Trust Officer on behalf of the Insurance Commissioner in his Statutory Capacity as Conservator and then as Liquidator of Golden State Mutual Life Insurance Company ("Golden State").

3. As the Senior Estate Trust Officer on behalf of the Commissioner as Conservator and now Liquidator of Golden State, I am responsible for the supervision and management of matters pertaining to the conservation and liquidation of Golden State.

4. I have read the Commissioner's Application For Third Order Continuing The Claims Bar Date, Memorandum and Declaration of Michael R. Weiss.

5. Based on my supervision and management of all matters pertaining to Golden State, my experience, review and understanding of the events related to the conservation and now liquidation of Golden State, my and my staff's review of the files and records routinely maintained in the regular and ordinary course of business and believed to be entered contemporaneously by persons having knowledge of the events recorded and whose job duties include recording them, and my review of this application and its supporting papers and documents, I state the following:

**Order of Liquidation for Golden State.**

6. On January 28, 2011, this Court terminated the Commissioner's status as Golden State's Conservator, appointed the Commissioner to serve as Golden State's Liquidator and issued an Order Appointing Liquidator and Injunction in Aid of Liquidation ("Order Appointing Liquidator"). Attached hereto and incorporated herein as Exhibit "1" is a true and correct copy of the Order Appointing Liquidator.

7. The Commissioner was appointed Liquidator because Golden State was and remains insolvent in that, as of September 30, 2010, Golden State's estimated liabilities of \$9,291,895 exceed its estimated remaining assets of \$5,721,154 by over \$3.5 million (\$5,721,154 in assets - \$9,291,895 in liabilities = \$-3,570,741). The current estimated net asset deficiency is \$9,164,300 as discussed below.

**Retained Assets and Liabilities for Administration by Golden State's Estate.**

8. As of June 30, 2013, assets retained by Golden State total approximately \$630,900 and include the following:

- a. Cash and cash equivalents of a negative \$412,800;
- b. Real estate valued at approximately \$291,500; and
- c. Artwork and murals whose value is at least \$753,200.

9. As of June 30, 2013, liabilities retained by Golden State currently are estimated to be at least approximately \$9,795,100 and include the following estimates of possible claims which may be asserted:

- a. Unclaimed funds payable of \$257,000;
- b. Accrued liabilities of \$302,100;
- c. Liabilities of \$1,664,200 to insurance guarantee associations for their assumption of non-transferred policy obligations;
- d. Pension Plan liability of \$5,124,800, which is the difference between the liability when the plan was terminated on December 31, 2010 and the plans assets at termination;
- e. Obligations under Certificates of Contribution including accrued interest of \$2,444,200; and
- f. Non-contractual liability to Golden State's policyholders as mutual owners of Golden State, who retain their § 1033 priority 9 rights. (See Exhibit 4.)

10. The above estimates of potential liabilities which may be asserted against Golden State are not an admission that a particular liability or amount of the liability is actually due. Instead, the above estimates are listed only to establish the amount of possible liabilities which

1 may be asserted against Golden State.

2 11. The June 30, 2013 financials reflect an increase in the estimated net asset  
3 deficiency to \$9,164,300, in that as of June 30, 2013 estimated liabilities are \$9,795,200 and  
4 remaining estimated assets are \$630,900. The increase is due primarily to the addition of  
5 estimated liabilities of at least \$1,664,200 owed to insurance guarantee associations for their  
6 assumption of non-transferred policy obligations and at least \$5,124,800 owed to the Pension  
7 Benefit Guarantee Corporation for its assumption of Golden State's un-funded pension  
8 obligations.

9 **Golden State's Assets Currently to be Liquidated**

10 12. Currently there are two categories of Golden State's assets to be liquidated by the  
11 Commissioner: (1) real estate valued at approximately \$291,500, and (2) artwork and murals  
12 whose value is estimated to be at least \$753,200. The remaining real estate remains listed for sale  
13 and is slow to sell largely due to tight credit markets and the current depressed economic  
14 environment. The sale of the artwork and murals is delayed pending resolution of the quiet title  
15 lawsuit commenced by Community Impact Development II, LLC ("CID") and the monument  
16 designation by the City of Los Angeles, and further evaluation by the Commissioner of the value  
17 of the artwork and murals once confirmed to be Golden State's personal property.

18 **Determinations regarding Proof of Claim Process**

19 13. The Commissioner has not determined that Golden State will have insufficient  
20 assets to permit significant distribution to any person interested in Golden State's assets, and has  
21 not determined that Golden State is likely to possess insufficient assets to pay the administrative  
22 expenses to liquidate Golden State. However, depending on the results of the sales of Golden  
23 State's real estate, the outcome of the quiet title action by CID, and the outcome of the monument  
24 designation by the City of Los Angeles, such determinations are possible in light of Golden  
25 State's current estimated deficiency of at least \$9,164,300 and the anticipated administrative costs  
26 and expenses of these actions.

27 14. The final realized value of the remaining real estate and murals, as well as the  
28 artwork, will greatly impact the assets available for distribution to creditors and will impact the

1 Commissioner's determinations of whether Golden State has sufficient assets to permit significant  
2 distribution to certain classes of claimants.

3 15. Because of the potential for such determinations, the Commissioner seeks to  
4 presently avoid the significant administrative costs of preparing and mailing proofs of claim  
5 packages to over 2,200 potential claimants, publishing notice in numerous newspapers, and  
6 handling the returned proofs of claim packages and expected numerous inquiries from claimants.  
7 The cost to mail proofs of claim packages and handle the proof of claim process is estimated to be  
8 at least \$40,000. This estimated cost includes preparation and mailing of Proof of Claim  
9 packages and forms, handling return mailings and locating updated addresses for potential  
10 claimants, administering and organizing received claim forms, handling and responding to  
11 telephone and letter inquiries from claimants, and other claim related administration tasks.

12 **The continuance is not expected to delay the claims process.**

13 16. The only change in the claim administration process is that the Claims Bar Date  
14 and newspaper publication of that date are continued for an additional twelve months to  
15 December 31, 2014, to avoid potentially unnecessary expenses.

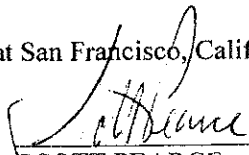
16 17. The requested continuance of the Claims Bar Date and the newspaper publication  
17 is not expected to delay the claims process because until the balance of the real estate is sold and  
18 the mural ownership issues are resolved, no payments could be made to creditors. It is currently  
19 unknown when the remaining real estate will be fully sold. It is anticipated that creditors will not  
20 recover any monies in the years 2013 or 2014; and therefore, there is no anticipated delay in the  
21 claims process.

22 18. The requested continuance will permit the Commissioner additional time to  
23 evaluate whether such determinations are necessary and thereby, in the interim, conserve and  
24 monetize assets for claimants in Priority classes who may receive distributions. Without the  
25 continuance, the Commissioner will presently need to handle the claims process and incur the  
26 necessary administrative expenses to do so without firm knowledge there will be material assets  
27 to distribute.  
28



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

3 Executed on this 16 day of October, 2013, at San Francisco, California.

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5 SCOTT PEARCE  
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# **DECLARATION OF MICHAEL WEISS**

**DECLARATION OF MICHAEL R. WEISS**

I, Michael R. Weiss, declare as follows:

1. I am over 18 years of age and have personal knowledge of the facts and circumstances set forth in this declaration, and if called upon to do so, I could and would competently testify thereto.

2. I am an attorney licensed to practice law in the State of California, and am a partner with the law firm Epstein Turner Weiss, A Professional Corporation. I and Epstein, Turner Weiss have been retained by the Insurance Commissioner of the State of California, in his capacity as Conservator and then as Liquidator of Golden State Mutual Life Insurance Company ("Golden State"), to provide legal services concerning Golden State. I make this declaration in support of the Commissioner's Application For Third Order Continuing The Claims Bar Date ("Application").

3. Because the notice of the Claims Bar Date will need to be published in newspapers in six counties once a week for four consecutive weeks, on July 21 and 22, 2011, I contacted the following six newspapers to receive estimates for the publication of the required legal notice once a week for four consecutive weeks. The cost to publish notice in these newspapers is estimated as follows:

Los Angeles Times:	\$11,560.00
San Francisco Chronicle:	\$ 4,338.40
San Jose Mercury News:	\$ 4,226.00
Sacramento Bee	\$ 2,815.36
Oakland Tribune	\$ 1,654.32
San Diego Union Tribune	\$ 7,257.60

The total of these amounts is \$31,851.68. On September 23, 2013, I contacted the Los Angeles Times and San Francisco Chronicle and confirmed that the above costs remain approximately the same. Based on these two telephone calls, I understand that the above costs remain approximately the same for all six newspapers at this time.

4. I am not aware of any persons or entities that may be adversely affected by this

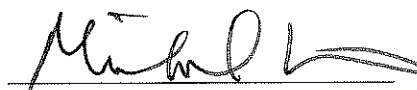
Application. Nonetheless, I and my staff provided written notice of this Application to Certificate of Contribution holders. Additionally, due to prior requests to receive copies of court filings in this matter, I and my staff provided written notice of this Application to The National Organization of Life and Health Insurance Guaranty Associations and its attorneys, Community Impact Development II, LLC, and Pitney Bowes, Inc. The above described persons and entities are listed on the Proof of Service filed concurrently herewith.

5. The Golden State murals are the subject of a quiet title lawsuit filed by Community Impact Development ("CID") in which CID seeks ownership of the murals. This lawsuit is scheduled for trial on October 21, 2013. The murals also are the subject of a monument designation by the City of Los Angeles, which has caused Golden State to file a petition for writ of mandate proceeding, which is currently stayed pending a determination on CID's lawsuit. Therefore the sale of the murals is delayed pending final determination of these actions. It is currently anticipated that resolution of the mural ownership and monument designation issues could take up to two years to resolve should the case proceed through appeal.

6. On September 28, 2011 and July 20, 2012, this Court granted the Commissioner's first and second applications to continue the Claims Bar Date to December 31, 2012 and December 31, 2013. True and correct copies of the Orders Granting Liquidator's Application For Order Continuing Claims Bar Date are attached hereto and incorporated herein as Exhibits 2 and 3.

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

Executed on this 28<sup>th</sup> day of October, 2013, at Los Angeles, California.



MICHAEL R. WEISS

# EXHIBIT 1

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86

DEC 21 2010 G:\GRP\CASES\204-410-04\Pleadings\Liquidation Application\Liquidation.Proposed Order.FINAL.doc

DEPT. 86

1 EDMUND G. BROWN JR.  
2 Attorney General of California  
3 FELIX LEATHERWOOD  
4 W. DEAN FREEMAN  
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14 Attorneys for Applicant  
15 Insurance Commissioner of the State of California

16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
17 **FOR THE COUNTY OF LOS ANGELES**

19 **INSURANCE COMMISSIONER OF THE**  
20 **STATE OF CALIFORNIA,**

20 Applicant,

21 v.

22 **GOLDEN STATE MUTUAL LIFE**  
23 **INSURANCE COMPANY, a California**  
24 **corporation,**

24 Respondent.

Case No. BS123005  
Assigned to Hon. Ann I. Jones, Dept. 86

**~~PROPOSED~~ ORDER OF LIQUIDATION  
AND ORDERS AND INJUNCTIONS IN  
AID OF LIQUIDATION FOR GOLDEN  
STATE MUTUAL LIFE INSURANCE  
COMPANY**

Date: January 28, 2011  
Time: 9:30 a.m.  
Dept: 86

**FILED**  
LOS ANGELES SUPERIOR COURT  
JAN 28 2011  
JOHN A. CLARKE, CLERK  
BY N. DIGIAMBATTISTA, DEPUTY

11/12/11  
Epstein Turner Weiss  
A Professional Corporation  
633 West Fifth Street  
Suite 3330  
Los Angeles, CA 90071

**~~PROPOSED~~ ORDER OF LIQUIDATION AND ORDERS AND INJUNCTIONS IN AID OF  
LIQUIDATION FOR GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY**

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

19 INSURANCE COMMISSIONER OF THE  
20 STATE OF CALIFORNIA,

21 Applicant,

22 v.

23 GOLDEN STATE MUTUAL LIFE  
24 INSURANCE COMPANY, a California  
25 corporation,

26 Respondent.

Case No. BS123005  
Assigned to Hon. Ann I. Jones, Dept. 86

~~PROPOSED~~ ORDER OF LIQUIDATION  
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JOHN A. CLARKE, CLERK  
BY N. DIGIAMBATTISTA, DEPUTY

FILED

Epstein Turner Weiss  
A Professional Corporation  
633 West Fifth Street  
Suite 3330  
Los Angeles, CA 90071

[PROPOSED] ORDER OF LIQUIDATION AND ORDERS AND INJUNCTIONS IN AID OF  
LIQUIDATION FOR GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY

1 On January 28, 2011, in Department 86 of the above-entitled Court, the Honorable Ann L.  
2 Jones, Judge Presiding (the "Court"), the Court held the hearing on the Court's Order to Show  
3 Cause and the Motion For Order Of Liquidation And Orders And Injunctions In Aid Of  
4 Liquidation For Golden State Mutual Life Insurance Company, filed by Applicant Steve Poizner,  
5 Insurance Commissioner of the State of California, in his capacity as Conservator ("Conservator")  
6 of Golden State Mutual Life Insurance Company in Conservation ("Golden State"). Deputy  
7 Attorney General Marta L. Smith and attorney Michael R. Weiss appeared on behalf of the  
8 Conservator. Other appearances, if any, are noted in the record.

9 The Court, having read and considered the Conservator's Notice of Order to Show Cause  
10 and Motion, Memorandum of Points and Authorities in support of the Motion, the Declarations of  
11 David E. Wilson and Michael R. Weiss, and all documents and evidence submitted, and having  
12 heard and considered the arguments presented to the Court, and upon good cause shown,

13 IT IS HEREBY ORDERED that the Conservator's Motion is granted and that:

14 **A. Liquidation. Administration and Operation**

15 1. As of September 30, 2010, Golden State is insolvent and remains insolvent today,  
16 and it would be futile for the Commissioner to proceed as Conservator; and therefore, sufficient  
17 grounds exist in accordance with Insurance Code § 1016 for entry of an order of liquidation of  
18 Golden State. (Insurance Code § 1016.)

19 2. The Commissioner's status as Conservator is terminated, he is appointed  
20 Liquidator of Golden State as set forth in Insurance Code § 1016, and he is directed as Liquidator  
21 to liquidate and wind up the business of Golden State and to act in all ways and exercise all  
22 powers necessary for the purpose of carrying out this Order. (Insurance Code § 1016.)

23 3. Title to all of the assets of Golden State, wheresoever situated, shall remain vested  
24 in the Commissioner, now as Liquidator, or his successor in office, in his official capacity as  
25 such, including without limitation real and personal property, deposits, certificates of deposit,  
26 bank accounts, mutual funds, securities, contracts, rights of actions, books, records and other  
27 assets of any and every type and nature, wheresoever situated, presently in Golden State's  
28



1 possession and/or those which may be discovered hereafter. (Insurance Code §§ 1011, 1016 and  
2 1037 General Powers.)

3 4. All funds and assets, including without limitation deposits, certificates of deposit,  
4 bank accounts, securities, and mutual fund shares of Golden State, in various financial depository  
5 institutions, including without limitation banks, savings and loan associations, industrial loan  
6 companies, mutual funds and/or stock brokerages, wheresoever situated, are subject to withdrawal  
7 only upon direction or order by the Liquidator. (Insurance Code §§ 1011, 1016 and 1037 General  
8 Powers.)

9 5. The Liquidator is authorized to collect all moneys due to Golden State, and to do  
10 such other acts as are necessary or expedient to collect, conserve, protect and/or liquidate Golden  
11 State's assets, property and business. (Insurance Code § 1037(a).)

12 6. The Conservator is authorized to collect all debts due and claims belonging to  
13 Golden State and to have the authority to sell, compound, compromise, or assign, for the purpose  
14 of collection upon such terms and conditions as the Liquidator deems best, any bad or doubtful  
15 debts. (Insurance Code § 1037(b).)

16 7. The Liquidator is authorized to compound, compromise or in any other manner  
17 negotiate settlements of claims against Golden State upon such terms and conditions as the  
18 Liquidator shall deem to be most advantageous to the estate of Golden State. (Insurance Code §  
19 1037(c).)

20 8. The Liquidator is authorized, without permission of the court and without notice,  
21 to acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of  
22 or deal with, any real or personal property of Golden State at its reasonable market value, or, in  
23 cases other than acquisition, sale, or transfer on the basis of reasonable market value, upon such  
24 terms and conditions as the Liquidator may deem proper, provided the market value of the  
25 property involved does not exceed the sum of twenty thousand dollars (\$20,000). (Insurance  
26 Code § 1037(d).)

27 9. The Liquidator is authorized to transfer to a trustee or trustees, under a voting trust  
28 agreement, the stock of Golden State heretofore or hereafter issued to the Liquidator in

1 connection with a rehabilitation or reinsurance agreement, or any other proceeding under  
2 Insurance Code § 1010 *et seq.* (Insurance Code § 1037(e).)

3 10. The Liquidator is authorized, for the purpose of executing and performing any of  
4 the powers and authority conferred upon the Liquidator under Insurance Code § 1010 *et seq.* in  
5 the name of Golden State or in the Liquidator's own name, to initiate, prosecute and/or defend any  
6 and all suits and other legal proceedings, legal or equitable, and to execute, acknowledge and  
7 deliver any and all deeds, assignments, releases and other instruments necessary and proper to  
8 effectuate any sale of any real and personal property or other transaction in connection with the  
9 administration, liquidation or other disposition of the assets of Golden State, in this or other states  
10 as may appear to him necessary to carry out his functions as Liquidator. (Insurance Code §  
11 1037(f) and 1037 General Powers.)

12 11. The Liquidator is authorized to divert, take possession of and secure all mail of  
13 Golden State and to effect a change in the rights to use any and all post office boxes and other  
14 mail collection facilities used by Golden State. (Insurance Code §§ 1011 and 1037 General  
15 Powers.)

16 12. The Liquidator is authorized, without permission of the court and without notice,  
17 to invest and reinvest, in such manner as the Liquidator may deem suitable for the best interests of  
18 the policyholders and/or creditors of Golden State, such portions of the funds and assets of  
19 Golden State in his possession as do not exceed the amount of the reserves required by law to be  
20 maintained by Golden State as reserves for life insurance policies, annuity contracts,  
21 supplementary agreements incidental to life business, and reserves for non-cancelable disability  
22 policies, and which funds and assets are not immediately distributable to creditors, provided the  
23 investment or reinvestment to be made does not exceed the sum of one hundred thousand dollars  
24 (\$100,000), except that the Liquidator, without permission of the court and without notice, may  
25 make investments or reinvestments in excess of \$100,000, but not exceeding \$5,000,000 per  
26 investment or reinvestment, if such investments or reinvestments are part of Golden State's  
27 existing investments or are made pursuant to the investment guidelines of the Commissioner's  
28 Conservation & Liquidation Office including investments and reinvestments through an

1 investment pool consisting exclusively of assets from conserved and/or liquidating estates.  
2 (Insurance Code § 1037(g) and General Powers.)

3 13. The Liquidator is authorized, in his discretion, without permission of the court and  
4 without notice, to pay or defer payment of some or all claims, expenses, liabilities and/or  
5 obligations of Golden State, in whole or in part, accruing prior and/or subsequent to his  
6 appointment as Liquidator. (Insurance Code §§ 1011 and 1037 General Powers.)

7 14. The Liquidator is authorized to appoint and employ under his hand and official  
8 seal, special deputy commissioners and/or legal counsel, as his agents, and to employ clerks  
9 and/or assistants, and to give to each of them those powers that the Liquidator deems necessary.  
10 (Insurance Code §§ 1035(a) and 1036.)

11 15. The Liquidator is authorized to fix the costs of employing special deputy  
12 commissioners, legal counsel, clerks, and/or assistants, and all expenses of taking possession of,  
13 conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and  
14 property of Golden State, subject to the approval of the court, and to pay such costs out of the  
15 assets of Golden State to the Liquidator and others including without limitation expenses, expense  
16 allocations, administrative costs, administrative overhead, and costs incurred and/or allocated by  
17 the Conservation & Liquidation Office, and if there are insufficient funds to pay such costs, then  
18 to pay such costs out of the Insurance Fund pursuant to Insurance Code § 1035. (Insurance Code  
19 §§ 1035(a), 1036 and 1037 General Powers.)

20 16. The Liquidator is authorized to assume or reject, or to modify, any executory  
21 contract, including without limitation, any lease, rental or utilization contract or agreement  
22 (including any schedule to any such contract or agreement), and any license or other arrangement  
23 for the use of computer software of business information systems, to which Golden State is a  
24 party or as to which Golden State agrees to accept an assignment of such contract, not later than  
25 120 days of the date of the Order Appointing Conservator, unless such date is extended by  
26 application to and further order of this Court, and if not expressly assumed by the Conservator  
27 within that time then such executory contract is deemed rejected. (Insurance Code § 1037  
28 General Powers.)

1           17.    The Liquidator is authorized to terminate compensation arrangements with  
2 employees, to enter into new compensation arrangements with employees including arrangements  
3 containing retention incentives, and to hire employees on such terms and conditions as he deems  
4 reasonable. (Insurance Code § 1037 General Powers.)

5           18.    The Liquidator is vested with all the powers of the directors, officers and managers  
6 of Golden State, whose authorities are suspended except as such powers may be re-delegated by  
7 the Liquidator. (Insurance Code § 1037 General Powers.)

8           **B.    Injunctions and Other Orders**

9           19.    Except upon the express authorization of the Liquidator, all persons are hereby  
10 enjoined, including without limitation Golden State and its officers, directors, agents, servants,  
11 and employees, from the transaction of Golden State's business or disposition of its property  
12 including without limitation from disposing of, using, transferring, selling, assigning, canceling,  
13 alienating, hypothecating or concealing in any manner or any way, or assisting any person in any  
14 of the foregoing, of the property or assets of Golden State or property or assets in the possession  
15 of Golden State, of any nature or kind, including without limitation claims or causes of action,  
16 until further order of this Court and further, enjoining such persons from obstructing or interfering  
17 with the Liquidator's conduct of his or her duties as Liquidator. (Insurance Code §§ 1011, 1020  
18 and 1037.)

19           20.    All persons are enjoined from instituting or prosecuting or maintaining any action  
20 at law or suit in equity including without limitation actions or proceedings to compel discovery or  
21 production of documents or testimony, and matters in arbitration, and from obtaining or  
22 attempting to attain preferences, judgments, foreclosures, attachments or other liens of any kind  
23 or nature, against Golden State, its assets, or the Liquidator, and from attaching, executing upon,  
24 foreclosing upon, redeeming of, making levy upon, or taking any other legal proceedings against  
25 any of the property and/or assets of Golden State, and from doing any act interfering with the  
26 conduct of said business by the Liquidator, except after an order from this Court obtained after  
27 reasonable notice to the Liquidator. (Insurance Code §§ 1011, 1020 and 1037 General Powers.)  
28

1           21. All persons are enjoined from the sale or deed for nonpayment of taxes or  
2 assessments levied by any taxing agency of property and/or assets of Golden State. (Insurance  
3 Code § 1020(f).)

4           22. Except with leave of court issued after a hearing in which the Liquidator has  
5 received reasonable and statutory notice, all persons are enjoined from accelerating the due date  
6 of any obligation or claimed obligation, exercising any right of set-off, taking, retaining, retaking  
7 or attempting to retake possession of any real or personal property, withholding or diverting any  
8 rent or other obligation, and doing any act or other thing whatsoever to interfere with the  
9 possession of or management by the Liquidator of the property and assets, owned or controlled,  
10 by Golden State or in the possession of Golden State or in any way interfering with the Liquidator  
11 or interfering in any manner during the pendency of this proceeding with the exclusive  
12 jurisdiction of this Court over Golden State. (Insurance Code §§ 1020 and 1037 General Powers.)

13           23. All persons are enjoined from the waste of the assets of Golden State. (Insurance  
14 Code § 1020.)

15           24. Golden State and all officers, directors, agents and employees of Golden State are  
16 ordered to deliver to, and immediately make available to, the Liquidator all assets, books,  
17 accounts, records, information, computers, tapes, discs, writings, other recordings of information,  
18 equipment and other property of Golden State, wheresoever situated, in said person's custody or  
19 control and further, and are directed the aforesaid to disclose verbally, or in writing if requested  
20 by the Liquidator, the exact whereabouts of the foregoing items if such items are not in the  
21 possession, custody or control of said persons. (Insurance Code §§ 1011, 1016, 1020 and 1037  
22 General Powers.)

23           25. Golden State and all officers, directors, trustees, employees or agents of Golden  
24 State, or any other person, firm, association, partnership, corporate parent, holding company,  
25 affiliate or other entity in charge of any aspect of Golden State's affairs, either in whole or in part,  
26 and including but not limited to banks, savings and loan associations, financial or lending  
27 institutions, brokers, stock or mutual associations, or any parent, holding company, subsidiary or  
28 affiliated corporation or any other representative acting in concert with Golden State, are ordered

1 to cooperate with the Liquidator in the performance of his or her duties. (Insurance Code § 1037  
2 General Powers.)

3 26. All persons who maintain records for Golden State, pursuant to written contract or  
4 any other agreement, are ordered to maintain such records and to deliver to the Liquidator such  
5 records upon his request. (Insurance Code §§ 1020 and 1037 General Powers.)

6 27. All agents of Golden State, and all brokers who have done business with Golden  
7 State, are ordered to make all remittances of all funds collected by them or in their hands directly  
8 to the Liquidator. (Insurance Code §§ 1020 and 1037 General Powers.)

9 28. All persons having possession of any lists of policyholders, escrow holders,  
10 mortgages or mortgagees of Golden State are ordered to deliver such lists to the Liquidator and all  
11 persons are enjoined from using any such lists or any information contained therein without the  
12 consent of the Liquidator. (Insurance Code §§ 1020 and 1037 General Powers.)

13 29. Golden State and its officers, directors, agents, servants, employees, successors,  
14 assigns, affiliates, and other persons or entities under their control and all persons or entities in  
15 concert or participation with Golden State, and each of them, are ordered to turn over to the  
16 Liquidator all records, documentation, charts and/or descriptive materials of all funds, assets,  
17 property (owned beneficially or otherwise), and all other assets of Golden State wherever situated,  
18 and all books and records of accounts, title documents and other documents in their possession or  
19 under their control, which relate, directly or indirectly, to assets or property owned or held by  
20 Golden State or to the business or operations of Golden State. (Insurance Code §§ 1020 and 1037  
21 General Powers.)

22 30. Any and all provisions of any agreement entered into by and between any third  
23 party and Golden State, including by way of illustration, but not limited to, the following types of  
24 agreements (as well as any amendments, assignments, or modifications thereto), are stayed, and  
25 the assertion of any and all rights and remedies relating thereto are also stayed and barred, except  
26 as otherwise ordered by this Court, and this Court shall retain jurisdiction over any cause of action  
27 that has arisen or may otherwise arise under any such provision: financial guarantee bonds,  
28 promissory notes, loan agreements, security agreements, deeds of trust, mortgages,

1 indemnification agreements, subrogation agreements, subordination agreements, pledge  
2 agreements, assignments of rents or other collateral, financial statements, letters of credit, leases,  
3 insurance policies, guaranties, escrow agreements, management agreements, real estate brokerage  
4 and rental agreements, servicing agreements, attorney agreements, consulting agreements,  
5 easement agreements, license agreements, franchise agreements, or employment contracts that  
6 provide in any manner that selection, appointment or retention of a conservator, receiver or trustee  
7 by any court, or entry of any order such as hereby made, shall be deemed to be, or otherwise  
8 operate as, a breach, violation, event of default, termination, event of dissolution, event of  
9 acceleration, insolvency, bankruptcy, or liquidation. (Insurance Code §§ 1020 and 1037 General  
10 Powers).

11 C. Creditors and Setting of Claims Bar Date

12 31. The rights and liabilities of claimants, policyholders, shareholders, members and  
13 all other persons interested in the assets of Golden State are fixed as of the date of entry of this  
14 Order. (Insurance Code § 1019.)


15 32. Any and all claims against Golden State, including without limitation those claims  
16 which in any way affect or seek to affect any of the assets of Golden State, wherever or however  
17 such assets may be owned or held, must be filed no later than December 31, 2011 (the "Claims  
18 Bar Date"), together with proper proofs thereof, in accordance with the provisions of Insurance  
19 Code § 1010 *et seq.* including without limitation Insurance Code § 1023. The proof of claim must  
20 be timely filed on the form provided by the Liquidator, together with proper proofs thereof, and  
21 must be supplemented with such further information as the Liquidator requests, in accordance  
22 with Insurance Code § 1023(f). Except for persons deemed to have filed claims against Golden  
23 State in accordance with the provisions of Insurance Code § 1010 *et seq.* including without  
24 limitation Insurance Code § 1024 and § 1025.5, any claims not filed by the Claims Bar Date shall  
25 be conclusively deemed forever waived. (Insurance Code § 1024.)

26 //  
27 //  
28 //

1 33. For such other and further relief as may be proper or necessary.

2 34. The Liquidator is authorized to take any and all action necessary to accomplish the  
3 purposes of this Order and the Orders requested herein.

4 DATED: 1/28/11

  
THE HONORABLE ANN I. JONES  
Los Angeles Superior Court Judge



I certify that this is a true and correct copy of the  
original ORDER on file in this office consisting  
of 12 pages. JOHN A. CLARKE, Executive Officer/Clerk of the  
Superior Court of California, County of Los Angeles.

MAR 06 2013 By:  Deputy

C. HOY



# EXHIBIT 2

1 KAMALA D. HARRIS  
Attorney General of California  
2 W. DEAN FREEMAN  
Supervising Deputy Attorneys General  
3 MARTA L. SMITH, State Bar No. 101955  
Deputy Attorney General  
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Email: [mrw@epsteinturnerweiss.com](mailto:mrw@epsteinturnerweiss.com)

13 Attorneys for Applicant  
14 Insurance Commissioner of the State of California  
15

16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
17 **FOR THE COUNTY OF LOS ANGELES**

18 INSURANCE COMMISSIONER OF THE  
19 STATE OF CALIFORNIA,

20 Applicant,

21 v.

22 GOLDEN STATE MUTUAL LIFE  
INSURANCE COMPANY, a California  
23 corporation,

24 Respondent.

Case No. BS123005  
Assigned to Hon. Ann I. Jones, Dept. 86

**NOTICE OF ENTRY OF MINUTE  
ORDER GRANTING APPLICATION FOR  
ORDER CONTINUING CLAIMS BAR  
DATE TO DECEMBER 31, 2012**

1 PLEASE TAKE NOTICE, hereby given, that on September 28, 2011, the Honorable  
2 Ann I. Jones, Judge Presiding, in Department 86 of the above-entitled Court, entered the attached  
3 Minute Order granting the Liquidator's Application For Order Continuing Claims Bar Date to  
4 December 31, 2012. A true and correct copy of the Minute Order is attached hereto.

5 DATE: October 17, 2011

KAMALA D. HARRIS  
Attorney General of California  
W. DEAN FREEMAN  
Supervising Deputy Attorneys General  
MARTA L. SMITH  
Deputy Attorney General

9 EPSTEIN TURNER WEISS  
10 A Professional Corporation

11 By:   
12 MICHAEL R. WEISS  
13 Attorneys for Applicant  
14 INSURANCE COMMISSIONER OF THE  
15 STATE OF CALIFORNIA

# SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

DATE: 09/28/11

DEPT. 86

HONORABLE ANN I. JONES

JUDGE

N. DIGIAMBATTISTA

DEPUTY CLERK

HONORABLE  
#5

JUDGE PRO TEM

J HERNAND/COURTROOM ASST.

ELECTRONIC RECORDING MONITOR

NONE

Deputy Sheriff

C. CRUZ, CSR #9095

Reporter

9:30 am

BS123005

Plaintiff

MICHAEL B. WEISS (X)

Counsel

MARTA SMITH (X)

STEVE POIZNER

Defendant

BEATRICE LAWSON (X)

VS

Counsel

GOLDEN STATE MUTUAL LIFE INSURA  
COMPANY

## NATURE OF PROCEEDINGS:

APPLICATION OF APPLICANT, INSURANCE COMMISSIONER OF  
THE STATE OF CALIFORNIA, FOR ORDER CONTINUING CLAIMS  
BAR DATE TO DECEMBER 31, 2012

Matter comes on for hearing and is argued.

In order to determine whether Golden State is likely to have insufficient assets to permit significant distribution to any person interested in Golden State's assets and pay the administrative expenses to liquidate Golden State, such determinations depend on the results of the sales of Golden State's real estate, the outcome of the quiet title action by CID, and the outcome of the monument designation by the City of Los Angeles. The final realized value of the real estate, artwork, and murals will impact the assets available for distribution to creditors and will impact the liquidator's determinations of whether Golden State has sufficient assets to permit distributions to certain classes of claimants. Accordingly, the liquidator seeks to avoid significant administrative costs (estimated to be at least \$40,000.00) until these issues regarding the real estate and murals have been resolved.

There is no prejudice to any claimants or interested persons in Golden State's estate. First, the requested continuance of the claims bar date and the newspaper publication is not expected to delay the claims

# SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

DATE: 09/28/11

DEPT. 86

HONORABLE ANN I. JONES

JUDGE

N. DIGIAMBATTISTA

DEPUTY CLERK

HONORABLE

JUDGE PRO TEM

J. HERNAND/COURTROOM ASST.

ELECTRONIC RECORDING MONITOR

#5

NONE

Deputy Sheriff

C. CRUZ, CSR #9095

Reporter

9:30 am

BS123005

Plaintiff

MICHAEL B. WEISS (X)

Counsel

MARTA SMITH (X)

STEVE POIZNER

Defendant

BEATRICE LAWSON (X)

VS

Counsel

GOLDEN STATE MUTUAL LIFE INSURANCE COMPANY

## NATURE OF PROCEEDINGS:

process because until the real estate is sold and the marital ownership issues are resolved, no payments could be made to creditors in any event. Accordingly, the continuance will not result in a delay in the claims process. Second, the requested continuance is beneficial to claimants to avoid the potentially unnecessary expenditure of Golden State's assets of handling the claims process and incurring administrative expenses without a firm knowledge of Golden State's material assets to distribute. Third, the liquidator has agreed to recognize and accept NOLHGA's and CLHIGA's claims as one claim and accepting as filed all claims on behalf of all certificate of contribution holders without requiring them to file proofs of claim in order to eliminate the expenses of mailing and handling proofs of claims and reduce Golden State's administrative expenses. Accordingly, the court finds that continuation of the claims bar date will not result in prejudice to claimants of Golden State's estate.

Pursuant to paragraph five in the Order of Liquidation and Insurance Code Section 1037, the liquidator is granted authority to take actions necessary to collect, conserve, protect and liquidate Golden State's assets. The liquidator's request to continue the claims bar date is, therefore, consistent with the liquidator's authority and the Insurance Code as a course of action calculated by the liquidator to conserve the insurer's assets.

# SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

DATE: 09/28/11

DEPT. 86

HONORABLE ANN I. JONES

JUDGE

N. DIGIAMBATTISTA

DEPUTY CLERK

J HERNAND/COURTROOM ASST.

HONORABLE

JUDGE PRO TEM

ELECTRONIC RECORDING MONITOR

#5b

NONE

Deputy Sheriff

C. CRUZ, CSR #9095

Reporter

9:30 am

BS123005

Plaintiff

MICHAEL B. WEISS (X)

Counsel

MARTA SMITH (X)

STEVE POIZNER

Defendant

BEATRICE LAWSON (X)

VS

GOLDEN STATE MUTUAL LIFE INSURA  
COMPANY

Counsel

## NATURE OF PROCEEDINGS:

The liquidator has provided written notice of this application to the certificate of contribution holders, the National Organization of Life and Health Insurance Guaranty Association, CID, and Pitney Bowes, Inc. To date, no opposition has been filed.

Based on the foregoing, the court grants the Insurance Commissioner's application for an order continuing the claims bar date to December 31, 2012.

Order is signed and filed this date.

Counsel for moving party is to give notice.

1 **PROOF OF SERVICE**

2 **STATE OF CALIFORNIA** )  
 3 **COUNTY OF LOS ANGELES** ) ss.

4 I am employed in the County of Los Angeles, State of California. I am over the  
 5 age of 18 and not a party to the within action; my business address is 633 West Fifth Street, Suite  
 6 3330, Los Angeles, California 90071.

7 On **October 17, 2011**, I served the foregoing document described as **NOTICE OF**  
 8 **ENTRY OF MINUTE ORDER GRANTING APPLICATION FOR ORDER**  
 9 **CONTINUING CLAIMS BAR DATE TO DECEMBER 31, 2012** by placing [ ] the original  
 10 [X] a true copy thereof (as indicated on the attached service list) enclosed in a sealed  
 11 envelope(s) addressed as follows:

12 **SEE ATTACHED SERVICE LIST**

13 [X] **By Mail.** I am readily familiar with the firm's practice of collection and processing  
 14 correspondence for mailing. Under that practice, it would be deposited with the U.S.  
 15 Postal Service on that same day with postage thereon fully prepaid at Los Angeles,  
 16 California in the ordinary course of business. I am aware that on motion of the party  
 17 served, service is presumed invalid if postal cancellation or postage meter date is more  
 18 than one day after date of deposit for mailing in affidavit.

19 [ ] **By Fax.** I transmitted the foregoing document by telecopier transmission to the  
 20 addressee(s) at the facsimile number(s) listed on the attached Service List, and received  
 21 confirmation that the transmission was received at the facsimile number(s) listed on the  
 22 attached Service List.

23 [ ] **By Personal Service.** I caused such envelope(s) to be personally delivered via messenger  
 24 service to the addressee(s) indicated on the attached Service List.

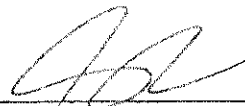
25 [ ] **By Email.** I forwarded a copy of the above-described document(s) via e-mail to each of  
 26 the individuals set forth above at the email addresses indicated therefor.

27 [ ] **By Federal Express.** I caused such envelope(s) to be deposited at a facility regularly  
 28 maintained by FedEx at 633 West Fifth Street, Los Angeles, California 90071, with  
 arrangements made for payment in full of the required charges, to the party(ies) listed on  
 the attached Service List.

Executed on **October 17, 2011**, at Los Angeles, California.

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

[ ] (Federal) I am employed by a member of the Bar of the State of California. I declare  
 under penalty of perjury under the laws of the United States of America that the foregoing  
 is true and correct.

  
 Angela Muse

*Insurance Commissioner v. Golden State Mutual Life Ins. Co.*

LASC Case No. BS 123005  
[Dept. 86]

**SERVICE LIST**

---

Elmira R. Howard  
Anderson, McPharlin & Conners LLP  
444 South Flower Street, 31st Floor  
Los Angeles, CA 90071-2901

Lisa Von Eschen  
Abelson Herron LLP  
333 South Grand Avenue, Suite 1550  
Los Angeles, California 90071  
Counsel for Community Impact Development/ Dudley Ventures

Pension Benefit Guaranty Corporation  
Attn: Jon Chatalian  
1200 K Street NW  
Washington D.C. 20005

NOLHGA  
13873 Park Center Rd Ste 329  
Herndon, VA 20171-3247

Frank O'Loughlin  
Rothgerber Johnson & Lyons, LLP  
One Tabor Center, Suite 3000  
1200 17th Street  
Denver, Colorado 80202-5855

Stephen Wayne  
Assistant General Counsel  
Pitney Bowes, Inc.  
1 Elmcroft Road  
Stamford, CT 06926-0700

Certificate of Contribution Holders [Addresses not listed to maintain confidentiality]



# EXHIBIT 3

1 KAMALA D. HARRIS  
Attorney General of California  
2 FELIX E. LEATHERWOOD  
3 W. DEAN FREEMAN  
Supervising Deputy Attorneys General  
4 LISA W. CHAO, State Bar No. 198536  
Deputy Attorney General  
5 300 South Spring Street, Room 1702  
6 Los Angeles, California 90013  
Telephone: (213) 897-2481  
7 Facsimile: (213) 897-5775  
8 E-mail: [Lisa.Chao@doj.ca.gov](mailto:Lisa.Chao@doj.ca.gov)

9 MICHAEL R. WEISS, State Bar No. 180946  
EPSTEIN TURNER WEISS  
10 A Professional Corporation  
633 W. Fifth Street, Suite 3330  
11 Los Angeles, California 90071  
12 Telephone: (213) 861-7487  
Facsimile: (213) 861-7488  
13 Email: [mrw@epsteinturnerweiss.com](mailto:mrw@epsteinturnerweiss.com)

14 Attorneys for Applicant  
15 Insurance Commissioner of the State of California

16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
17 **FOR THE COUNTY OF LOS ANGELES**  
18

19 INSURANCE COMMISSIONER OF THE  
STATE OF CALIFORNIA,

20 Applicant,

21 v.

22 GOLDEN STATE MUTUAL LIFE  
23 INSURANCE COMPANY, a California  
corporation,

24 Respondent.  
25  
26  
27  
28

Case No. BS123005  
Assigned to Hon. Ann I. Jones, Dept. 86


**NOTICE OF ENTRY OF MINUTE  
ORDER GRANTING APPLICATION FOR  
SECOND ORDER CONTINUING  
CLAIMS BAR DATE TO DECEMBER 31,  
2013**

1 PLEASE TAKE NOTICE, hereby given, that on July 20, 2012, the Honorable Ann L.  
2 Jones, Judge Presiding, in Department 86 of the above-entitled Court, entered the attached Minute  
3 Order granting the Liquidator's Application For Second Order Continuing Claims Bar Date to  
4 December 31, 2013. A true and correct copy of the Minute Order is attached hereto.

5 DATE: July 30, 2012

KAMALA D. HARRIS  
Attorney General of California  
W. DEAN FREEMAN  
Supervising Deputy Attorneys General  
LISA W. CHAO  
Deputy Attorney General

9 EPSTEIN TURNER WEISS  
10 A Professional Corporation

11 By:   
12 MICHAEL R. WEISS  
13 Attorneys for Applicant  
14 INSURANCE COMMISSIONER OF THE  
15 STATE OF CALIFORNIA  
16  
17  
18  
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27  
28

WORK COPY

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

DATE: 07/20/12

DEPT. 86

HONORABLE ANN I. JONES

JUDGE

N DIGIAMBATTISTA

DEPUTY CLERK

HONORABLE  
#6

JUDGE PRO TEM

T MASSAROTTI/COURTROOM ASST

ELECTRONIC RECORDING MONITOR

NONE

Deputy Sheriff

VERONICA PORRAS/CSR 12703 Reporter

1:30 pm	BS123005	Plaintiff	
	STEVE POIZNER	Counsel	MICHAEL R. WEISS (x)
	VS	Defendant	
	GOLDEN STATE MUTUAL LIFE INSURA	Counsel	NO APPEARANCE
	COMPANY		
	*Rel to BC462745 denied*		

NATURE OF PROCEEDINGS:

APPLICATION OF PETITIONER, INSURANCE COMMISSIONER OF  
THE STATE OF CALIFORNIA, FOR SECOND ORDER CONTINUING  
CLAIMS BAR DATE

Matter comes on for hearing.

The application is unopposed and is granted. The  
claims bar date is extended to December 31, 2013.

Moving party is to give notice.

MINUTES ENTERED 07/20/12 COUNTY CLERK
---

07/23/12

**PROOF OF SERVICE**

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) ss.

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 633 West Fifth Street, Suite 3330, Los Angeles, California 90071.

On July 30, 2012, I served the foregoing document described as **NOTICE OF ENTRY OF MINUTE ORDER GRANTING APPLICATION FOR SECOND ORDER CONTINUING CLAIMS BAR DATE TO DECEMBER 31, 2013** by placing [ ] the original [X] a true copy thereof (as indicated on the attached service list) enclosed in a sealed envelope(s) addressed as follows:

**SEE ATTACHED SERVICE LIST**

[X] **By Mail.** I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation or postage meter date is more than one day after date of deposit for mailing in affidavit.

[ ] **By Fax.** I transmitted the foregoing document by telecopier transmission to the addressee(s) at the facsimile number(s) listed on the attached Service List, and received confirmation that the transmission was received at the facsimile number(s) listed on the attached Service List.

[ ] **By Personal Service.** I caused such envelope(s) to be personally delivered via messenger service to the addressee(s) indicated on the attached Service List.


[ ] **By Email.** I forwarded a copy of the above-described document(s) via e-mail to each of the individuals set forth above at the email addresses indicated therefor.

[ ] **By Federal Express.** I caused such envelope(s) to be deposited at a facility regularly maintained by FedEx at 633 West Fifth Street, Los Angeles, California 90071, with arrangements made for payment in full of the required charges, to the party(ies) listed on the attached Service List.

Executed on July 30, 2012, at Los Angeles, California.

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

[ ] (Federal) I am employed by a member of the Bar of the State of California. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

  
Angela Muse

*Insurance Commissioner v. Golden State Mutual Life Ins. Co.*

LASC Case No. BS 123005  
[Dept. 86]

**SERVICE LIST**

---

Elmira R. Howard  
Anderson, McPharlin & Conners LLP  
444 South Flower Street, 31st Floor  
Los Angeles, CA 90071-2901

Lisa Von Eschen  
Abelson Herron LLP  
333 South Grand Avenue, Suite 1550  
Los Angeles, California 90071

NOLHGA  
13873 Park Center Rd Ste 329  
Herndon, VA 20171-3247

Frank O'Loughlin  
Rothgerber Johnson & Lyons, LLP  
One Tabor Center, Suite 3000  
1200 17th Street  
Denver, Colorado 80202-5855

Stephen Wayne  
Assistant General Counsel  
Pitney Bowes, Inc.  
1 Elmcroft Road  
Stamford, CT 06926-0700

Pension Benefit Guaranty Corporation  
Attn: Jon Chatalian  
1200 K Street NW  
Washington D.C. 20005

Stephen J. Chazen  
Law Offices of Stephen J. Chazen  
15303 Ventura Blvd., Suite 900  
Sherman Oaks, CA 91423

Certificate of Contribution Holders [Addresses not listed to maintain confidentiality]

## EXHIBIT 4

**996 Golden State Mutual Life Ins Co****STATEMENT OF ASSETS AND LIABILITIES**

As of June 30, 2013

	Jun 30 2013A
<b>ASSETS</b>	
Participation in pooled investments, at market	(412,800)
Accrued investment income	(1,000)
Receivable from affiliates	-
Property and equipment, net of accumulated depreciation	291,500
Deposits and other assets	753,200
<b>Total Available Assets</b>	<b>630,900</b>
<b>LIABILITIES</b>	
Secured claims	559,100
Claims against policies, including guaranty associations, before distributions	1,664,200
California and Federal claims having preference	5,127,600
All other claims	2,444,200
<b>Total Liabilities</b>	<b>9,795,100</b>
 <b>NET ASSETS (DEFICIENCY)</b>	 <b>(9,164,200)</b>