STATE OF ARIZONA FILED

SEP 20 2007

DEPT OF INSURANCE

1

2

3

5

4

6 7

8

9

10

11

12

13

14

15 16

17

18

19

20 21

22

23

24

26

25

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

THE RELEASE OF STATUTORY

In the Matter of:

DEPOSIT OF:

MENLO LIFE INSURANCE COMPANY (NAIC NO. 71749)

Petitioner.

No. 07A-144-INS

ORDER

On September 12, 2007, the Office of Administrative Hearings, through Administrative Law Judge ("ALJ") Lewis Kowal, issued an Administrative Law Judge Decision ("Recommended Decision"), received by the Director of the Department of Insurance ("Director") on September 14, 2007, a copy of which is attached and incorporated by this reference. The Director of the Department of Insurance has reviewed the Recommended Decision and enters the following Order:

- 1. The Recommended Findings of Fact and Conclusions of Law are adopted.
- 2. Petitioner is entitled to the release of its statutory deposit in the sum of \$550,000.00 and Petitioner's statutory deposit shall be released to Petitioner.

The Director of the Department has no personal liability for the release of such deposit so made by her in good faith as provided for in A.R.S. § 20-588(B).

NOTIFICATION OF RIGHTS

Pursuant to Arizona Revised Statutes ("A.R.S.") § 41-1092.09, Petitioner may request a rehearing with respect to this order by filling a written motion with the Director of the Department of Insurance within 30 days of the date of this Order, setting forth the basis for relief under A.A.C. R20-6-114(B). Pursuant to A.R.S. § 41-1092.09, it is not necessary to request a rehearing before filing an appeal to Superior Court.

1 Petitioner may appeal the final decision of the Director to the Superior Court of 2 Maricopa County for judicial review pursuant to A.R.S. § 20-166. A party filing an appeal 3 must notify the Office of Administrative Hearings of the appeal within ten days after filing the complaint commencing the appeal, pursuant to A.R.S. § 12-904(B). day of September, 2007. 5 6 7 CHRISTINA URIAS. Director Arizona Department of Insurance 8 9 COPY of the foregoing mailed this 10 20th day of September, 2007 to: 11 Office of Administrative Hearings 1400 West Washington, Suite 101 12 Phoenix, Arizona 85007 13 Mary Butterfield, Assistant Director Catherine O'Neil, Comsumer Legal Affairs Officer 14 Steve Ferguson, Assistant Director Leslie R Hess, Financial Affairs Legal Analyst 15 Kurt A. Regner, Chief Financial Analyst Arizona Department of Insurance 16 2910 North 44th Street, Suite 210 Phoenix, Arizona 85018 17 Joseph B. Holloway, Jr. 18 Conservation and Liquidation Office P.O. Box 26894 19 San Francisco, CA 94126-0894 For Petitioner 20 Curvey Burton 21 22 23

24

25

26

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

IN THE MATTER OF.

THE RELEASE OF STATUTORY DEPOSIT OF MENLO LIFE INSURANCE COMPANY (NAIC No. 71749) No. 07A-144-INS

ADMINISTRATIVE LAW JUDGE DECISION

HEARING: September 10, 2007

APPEARANCES: Joseph B. Holloway, Jr. for Menlo Life Insurance Company;

Kurt Regner for the Arizona Department of Insurance

ADMINISTRATIVE LAW JUDGE: Lewis D. Kowal

On September 10, 2007, a hearing took place to consider the application of Menlo Life Insurance Company ("Petitioner") for the release of its statutory deposit pursuant to A.R.S. § 20-588 and A.A.C. R20-6-303.

Based upon the entire record in this matter, the following Findings of Fact, Conclusions of Law and Order are made:

FINDINGS OF FACT

- 1. At least 10 business days before the hearing of this matter, Petitioner gave special notice to creditors and policyholders of the Petitioner, setting forth the date, place, nature and purpose of the hearing, as evidenced by an affidavit of publication.
- 2. Petitioner waived the notice requirements set forth in A.R.S. § 41-1092.05(D).
- 3 Petitioner provided a copy of the Notice of the Hearing to its creditors in accordance with applicable law.
- 4. Petitioner previously submitted its certificate of authority to the Arizona Department of Insurance ("Department") with its application to withdraw from the transaction of insurance business in the State of Arizona,
- 5. Petitioner has filed with the Department the requisite certified financial statements and arranged for payment of insurance and non-insurance obligations of Petitioner.

Office of Administrative Hearings 1400 West Washington, Suite 101 Phoenix, Arizona 85007 (602) 542-9826

3 4

6

8

10

12

13

15 16

14

17 18

19 20

21 22

23 24

25 26

27

28

29 30 6. On December 15, 2006, the Director of the Department issued an Order approving the withdrawal application, the surrender of Petitioner's certificate of authority to transact the business of insurance in the State of Arizona and refunded \$100.00 to Petitioner that was previously credited to the Insurance Examiners' Revolving Fund.

- 7. Petitioner submitted to the Department a copy of the Articles of Amendment to its Articles of Incorporation that was filed with the Arizona Corporation Commission whereby Petitioner changed its name to Menlo Company and represented that it was no longer acting as an insurance company.
- 3. Petitioner has a \$550,000.00 statutory deposit on file with the Department.

CONCLUSIONS OF LAW

1. Petitioner has complied with the provisions of A.R.S. § 20-588 and A.A.C. R20-6-303 relating to the release of its \$550,000.00 statutory deposit.

ORDER

- 1. Petitioner has demonstrated that it is entitled to the release of its statutory deposit in the sum of \$550,000.00 and the statutory deposit shall be released to Petitioner.
- 2. The Director of the Department has no personal liability for the release of the statutory deposit made by her in good faith as provided in A.R.S. § 20-588(B).

Done this day, September 12, 2007.

Lewis D. Kowal

Administrative Law Judge

Original transmitted by mail this

13 day of lest , , 2007, to:

Department of Insurance Christina Urias, Director 2910 North 44th Street, Ste. 210 Phoenix, AZ 85018

By Chair Troblesh