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By Denise Levin

Judge Sanctions Italian Insurance Firm

Reversing her tentative ruling and issuing an order that is more in line with what she said in court she wanted to do, a judge has sanctioned a European insurance company more than \$14,000 for submitting a false declaration in a Holocaust-era bad-faith case.

Plaintiffs' attorney William M. Shernoff of Shernoff, Bidart, Darras & Dillon and sole practitioner Lisa Stern had asked Los Angeles Superior Court Judge Florence-Marie Cooper to sanction Assicurazioni Generali for telling the court that it could not "locate any records of ever having filed a lawsuit in California state courts."

Shernoff and Stern submitted proof to Cooper that Generali has filed at least 24 cases in California state courts and was named as a defendant in about 80 more. Generali attorney Jeffrey A. Tidus of Coudert Brothers apologized last week to the court for the false declaration.

The issue of whether Generali litigates in California is key to the case brought against it by families of those who died in the Holocaust, who claim the Italian insurer failed to make good on the life insurance policies of those killed by the Nazis. *Stern v. Generali*, BC185376. State law allows the filing of such lawsuits in California by its citizens if it can be proven the insurance company litigates or does business in the state.

Generali maintains, nevertheless, that California courts are not the proper venue for the civil action, and it has appealed a decision by Cooper affirming the court's jurisdiction under state legislation.

Generali claims it is not responsible for the life insurance policies because the communists took over the Eastern European countries where it was doing business after World War II and therefore assumed all of its liabilities. Cooper said during a court hearing last week that she thought California law did not give her the authority to impose sanctions on Generali for the false declaration.

But in her order issued Friday, Cooper cited case law she researched independently that gives the court power when justice demands it to prevent abuse of process and create a remedy for a wrong. Those cases included *Adamson v. Superior Court*, 113 Cal.App.3d 505 (1980), and *Western Steel & Ship Repair Inc. v. RMI, Inc.*, 176 Cal.App.3d 1108 (1986).

"It was a correct and courageous ruling, which will go a long way towards preserving the integrity of the judicial process," Shernoff said. Tidus said Generali "respectfully disagrees with the decision, both in fact and law." He said the company intends to file a motion for reconsideration on the ground that the court overstepped its authority in awarding the sanctions.