

For Immediate Release  
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## **Legal Precedent Set in Local Holocaust Lawsuit Ruling Paves the Way for California to Become First State to Allow Prosecution of Insurance Claims of Holocaust Victims and Heirs**

Today, a legal precedent was set for Holocaust victims in California who hope to recover insurance proceeds from life insurance policies purchased more than 50 years ago. After hearing oral arguments on whether California has jurisdiction over the giant Italian insurance company, Assicurazioni Generali, Los Angeles Superior Court Judge Florence-Marie Cooper ruled that Generali's contacts with California are sufficient to enable the state's courts to hear and determine legal actions against the insurer (*Stern v. Assicurazioni Generali*, BC 185376).

According to the court's ruling, Generali's motion to dismiss the Stern family lawsuit was denied on the grounds that Generali has been conducting insurance business in this state since 1958. The Court also found that the Holocaust Victims Insurance Act signed into law last year by Gov. Pete Wilson protects California citizens in their efforts to obtain payment of long-withheld benefits. The law extends the statute of limitations to file these cases until 2010.

Plaintiffs' counsel, William M. Shernoff of Claremont's Shernoff, Bidart, Darras & Arkin, said of the ruling:

Now it is apparent that California will lead the way in getting justice for Holocaust survivors on their insurance policy cases. This case could be tried before a jury as early as the summer.

Judge Cooper set a trial setting conference for March 25, 1999 at 8:30 a.m. A trial date will be set on that date.

According to Shernoff, Generali is a \$95 billion world-wide company that derives 20% of its American business from California and earns \$27 million a year in premiums from this state. Shernoff also argued to the court that Generali has filed at least 17 lawsuits as plaintiff in the state, thus voluntarily subjecting itself to the jurisdiction of California. Insurance Comm. Charles Quackenbush also weighed in at the hearing with a friend-of-the-court brief filed on behalf of the Sterns -- a rare example of that department coming to the aid of an individual litigant.

Plaintiffs' co-counsel Lisa Stern of the Law Office of Lisa Stern, said following the hearing:

Hopefully this legal precedent will inspire other jurisdictions to enact laws that will help the persecuted to recover stolen assets and their dignity. Our next challenge is to conduct discovery and proceed to trial without further delay.

At least three life insurance policies were issued in 1929 to Mor Stern, a wealthy wine and spirits manufacturer in Uzshghorod, Hungary. In 1944, the Stern family was deported to Auschwitz. Adolf Stern, Mor's son, survived the camps along with two brothers and a sister. Liberated but destitute and ill, Adolf went to Prague where he purchased the policies to try to collect the proceeds. Generali demanded that Adolf present his father's death certificate and copies of the policies. When he could not, Adolf Stern and other members of the family began the long odyssey to try and collect on their policies. But Generali refused to pay out on the policies and continued to assert that no records existed. Then in 1997 a warehouse was discovered six blocks from Generali's headquarters in Trieste, Italy, that contained thousands of pre-WWII

policies -- including the Stern's.

The claim by the Stern family is typical of thousands that have surfaced in the U.S., Israel, and Europe. Filed in February 1998, the Stern lawsuit alleges breach of contract and the implied covenant of good faith and fair dealing. The suit was also filed on behalf of all California citizens and seeks injunctive and restitutive relief under California Business and Professions Code 17200.