

May 28, 1999

Historic Trial Date Set in Holocaust-Era Lawsuit Stern Family Readies For Trial 55 Years After Being Deported to Auschwitz

A Los Angeles judge entered uncharted territory today when she took the bold step of assigning a trial date to a Holocaust-era lawsuit alleging unpaid life insurance benefits from policies issued more than 50 years ago.

The Feb. 9, 2000 trial date set by Superior Court Judge Florence-Marie Cooper marks the first trial date ever assigned in the United States or Europe to any Holocaust-related litigation.

Plaintiffs' lead counsel William M. Shernoff of Shernoff, Bidart, Darras & Dillon said immediately following the court hearing:

The setting of the trial date is an enormous breakthrough. It will give Holocaust survivors all over the world new hope. We are anxiously looking forward to starting the new millenium with this historic trial.

The setting of a trial date is sweet justice for the Stern family who has made more than a half dozen attempts over five decades to collect on life insurance policies purchased prior to WWII. The family filed their \$135 million breach of contract lawsuit in February 1998 claiming the giant Italian insurer, Assicurazioni Generali, acted in bad faith when it refused to pay off on policies issued to Mor Stern, the family patriarch who died in the gas chamber at Auschwitz. The Stern family's lawsuit also seeks punitive damages (Stern v. Generali, L.A. Superior Court, BC185376).

Lawyers, elected officials, Jewish groups, Holocaust experts and survivors worldwide have been watching the Stern case closely. The private lawsuit was the first suit ever to be lodged in a U.S. court by an individual family and it has proceeded through the court system faster than any other claim, including class-action lawsuits underway in New York. Adding to the significance of the Stern lawsuit, Judge Cooper ruled in January that

California courts have the authority to hear cases against European insurance companies if it can be proven that they do business or litigate in the state, under the Holocaust Victims Insurance Act signed into law last year. Her ruling affects more than 20,000 Holocaust survivors living in California and could potentially affect the more than 600,000 survivors living worldwide. In addition, California Insurance Commissioner Chuck Quackenbush has been a strong supporter of resolving wartime crimes, submitting friend of the court briefs on behalf of the plaintiffs and leading an aggressive campaign to notify Holocaust survivors and their heirs in California that they may be entitled to insurance restitution.

Co-counsel Lisa Stern said, Ironically, today marks the 55th anniversary of the Stern family deportation to Auschwitz. The setting of the trial date renews hope that justice will be realized for all survivors within their lifetime.

Also on calendar today before Judge Cooper were three other suits that had previously been deemed related to the Stern action. Generali had sought to dismiss the lawsuits of Nicholas Babos (BC188680), Julia Sladek (BC188679), and Alex Friedman (BC193182) for lack of jurisdiction. Judge Cooper denied those motions on the grounds that the state of California has an overwhelming public policy interest in providing a forum for its citizens to resolve such claims, as described in the Holocaust Victims Insurance Act. Meanwhile, Generali has appealed to the California Supreme Court Judge Cooper's Jan. 25 ruling in the Stern action granting

California jurisdiction over European insurance companies conducting business here (California Supreme Court Case No. S078215). After oral argument this morning, Judge Cooper gave Generali 30 days from today's date to file an answer to the Stern lawsuit.