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 JAMES RIVER INSURANCE COMPANY

UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA

JAMES RIVER INSURANCE COMPANY, )  
 an Ohio corporation, )  
 )  
 Plaintiff, )

-vs-

DIANA’S CARE HOME, a business entity )  
 form unknown; NESTOR CASTANEDA, an )  
 individual; DIANA CASTANEDA, an )  
 individual; ESTRELLA ROTHSTEIN, an )  
 individual; HECTOR REYNA, by and )  
 through his successor in interest TRACY )  
 MARLENE REYNA, an individual; TRACY )  
 MARLENE REYNA, an individual; )  
 HAYWARD SISTERS HOSPITAL, INC., a )  
 California corporation; NADHI, INC., a )  
 California corporation; THC ORANGE )  
 COUNTY, INC., a California corporation, )  
 )  
 Defendants. )

**Case No. C-10-00446 BZ**

~~[PROPOSED]~~ JUDGMENT OF  
 RESCISSION

WHEREAS defendants DIANA’S CARE HOME, a business entity form unknown; NESTOR  
 CASTANEDA, an individual; DIANA CASTANEDA, an individual; and ESTRELLA ROTHSTEIN  
 (collectively the “DCH PARTIES”) have settled their differences with plaintiff JAMES RIVER  
 INSURANCE COMPANY (“JAMES RIVER”); and

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1 WHEREAS the DCH PARTIES acknowledge that, as part of the settlement, JAMES RIVER  
2 has returned the \$10,400 premium paid for Residential Care Facility Liability Insurance Policy No.  
3 00004174-5, which was written on a “Claims Made and Reported” form with effective dates of April  
4 29, 2009 to 2010, limits of \$1,000,000 per Claim and in the Aggregate, and a \$5,000 deductible (the  
5 “Policy”);and

6 WHEREAS each of the Parties have contributed other good and valuable consideration to the  
7 others as part of the settlement; and

8 WHEREAS each of the Parties hereto expressly deny any liability or wrongdoing vis-a-vis the  
9 others;

10 IT IS HEREBY ADJUDGED AND DECREED that JAMES RIVER may have judgment  
11 against the DCH PARTIES, and each of them as follows:

- 12 1. The Policy has been rescinded and is void *ab initio* as if it was never in effect;
- 13 2. JAMES RIVER does not and never had a duty to defend or indemnify any of the DCH  
14 PARTIES or any person or entity who could make a Claim against or through them under the Policy,  
15 for any purpose;
- 16 3. JAMES RIVER does not and never had a duty to defend or indemnify any of the DCH  
17 PARTIES or any person or entity who could make a Claim against or through them under the Policy  
18 relating to *Reyna v. Castaneda, et al.*, Alameda County Superior Court Case No. RG09483810.
- 19 4. Having previously considered stipulations between defendants HECTOR REYNA, by  
20 and through his successor in interest TRACY MARLENE REYNA, an individual (“HECTOR  
21 REYNA”); TRACY MARLENE REYNA, an individual (“MARLENE REYNA”); Hayward Sisters  
22 Hospital, Inc. (“HSH”); NADHI, INC. (“NADHI”); and THC Orange County, Inc. dba Kindred  
23 Hospital San Francisco Area (“THC”) and JAMES RIVER for dismissal of the within Action in  
24 exchange for Orders of this Court that HECTOR REYNA, MARLENE REYNA, HSH, NADHI and  
25 THC shall be bound by any judgment ultimately rendered as to the DCH PARTIES, Judgment is also  
26 entered against HECTOR REYNA, MARLENE REYNA, HSH, NADHI and THC.

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5. Each of the Parties hereto are to bear their own attorney's fees and costs.

DATED: October 18, \_\_\_\_, 2010

  
UNITED STATES MAGISTRATE JUDGE