



## Princess Louise

### From Passenger and Cargo Vessel to Restaurant to Sunken Fishing Reef

She was built as a passenger and cargo vessel to replace the Pr. Sophia, which went down off the Vanderbilt reef with all aboard, on the Alaska run. She had a four cylinder triple expansion steam engine that on her sea trial at Esquimalt, B.C. on Nov. 30, 1921, she made an even 17 knots.

Interestingly, she was the second Pr. Louise. The first Pr. Louise, which was also the first Princess in the fleet, was a side-wheeler built in 1869 and sunk at Port Alice in 1919.

She originally accommodated 133 first-class staterooms and 26 single berths. However, because of the small size of some of her staterooms, they were enlarged bringing the stateroom count to 126. Her dining room seated 125 people. After she was withdrawn from service in 1964, she was sold to Shoreline Holding in Vancouver. In 1966, she was sold to Princess Louise Corp. and was towed to Long Beach, California and preserved as a restaurant.

After the restaurant failed in 1989, the Princess Louise was seized by the bank and moved from her berth at San Pedro and tied up at the ship yard on Terminal Island. One night, very mysteriously, she rolled over, sinking at her dock. A ship's security guard, in a TV interview, noted that the Louise began making loud sounds from below. She left her post only to watch her heel and roll over in place within minutes.

Finally sold as salvage after the sinking, it was originally planned to re-sink Princess Louise outside the harbor as an artificial reef and scuba divers attraction. Impatient divers insistent on visiting the wreck during the refloating process so annoyed the owners that they revised the plans. On June 20, 1990, they towed the Louise out to the deepest part of the channel and sank her well out of the range of dive equipment where she rests today 400 feet below the surface.

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## S.S. PRINCESS LOUISE



.Pr.Louise Was built in North Vancouver, B.C. by the Wallace Shipyard and Dry-dock Company. She was 4,032gt. 317.2 feet long, and 48.1 feet wide, and at the time of launch, August 29, 1921, was the largest ship in terms of displacement, in the entire Princess fleet. She was christened by Mrs. Troup, The wife of Captain James W. Troup, the manager of B.C.C.S. at the time.

She was built as passenger, and cargo vessel, to replace the Pr. Sophia (Which went down off Vanderbuilt reef with all aboard) on the Alaska run. She had a four cylinder triple expansion steam engine, that on her sea trials at Esquimalt, B.C. on Nov. 30, 1921, she made an even 17knots. Her passenger accommodation was originally 133 first class staterooms, 26 single berths, however because of the small size of some of her staterooms, they were enlarged, and she then had 126. Her dining room seated 125 people. After she was withdrawn from service in 1964 and sold to shoreline holdings in Vancouver, and in 1966 she was sold to Princess Louise Corp. and was towed to Long Beach Calif. and was preserved as a restaurant. She was the second Pr. Louise, the first was a side-wheeler built in 1869 and sunk at Port Alice in 1919. (This was the first Princess in the fleet)

This is one of the last pictures of the Princess Louise, as a restaurant ship, at her moorings at Harbor Marine on Terminal Island, California. I have received better information regarding her demise, from a Mr. David Norton, formerly of Los Angeles. And from his memory, told me she had been sold and was moved to the other side of the main channel for a refit, this is where she capsized and sank. She was refloated, but not salvageable.

She was under tow to Santa Catalina Is. to be sunk as a fishing reef, and she went down again, in deep water of San Pedro Channel (about June of 1990) where she remanes today.



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## Princess Louise Loses Bid for Port, Shuts Down

January 22, 1989 | SHERYL STOLBERG | Times Staff Writer

The cruise ship Princess Louise shut down its galleys, battened down its hatches and rolled up its gangplanks for good this week, quietly ending an era in San Pedro.

On Monday--six days after a Superior Court judge refused to order the Los Angeles Harbor Department to let the floating restaurant stay at its berth--owner **Marion Perkov** turned the Princess Louise over to his main creditor, the **Bank of San Pedro**. The bank intends to sell it.

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The closing of the ocean liner-turned-restaurant, which came without publicity or fanfare, marked a sad day for many San Pedro old-timers who have fond memories of weddings, high school reunions and banquets aboard the 68-year-old Princess Louise.

Perkov, however, had little choice.

He had filed for protection from his creditors under federal bankruptcy laws last April and was struggling to reorganize.

New Vessel Got Berth

But in August, the Harbor Department assigned his berth to a new vessel, the Spirit of Los Angeles, which is set to begin running dinner cruises from there in the spring. Port officials ordered Perkov out by Jan. 15.

There is little chance now that the Princess Louise, which has become a fixture during its **22 years in San Pedro**, will remain in the seaside community. A Harbor Department official said Thursday that there is no other place in the port for the Princess Louise.

And the president of the Bank of San Pedro, which has advertised the ship as "a piece of history" and "a fantastic floating attraction," said the two most promising offers he has received are from prospective buyers who would move the vessel to San Diego or San Francisco.

"It's not a pleasant thing," said bank President Lance Oak, who said he has attended hundreds of events aboard the ship, including a Christmas party put on by the bank. "Nobody likes to foreclose on property. But it's a business problem."

Oak said the bank hopes the 360-foot-long, 36,000-square-foot ship will bring in between \$1.3 million and \$1.5 million. He said the bank is offering financing if the ship remains in California.

Perkov's lawyer, Michael Rogers, said the request for a preliminary injunction, denied Jan. 10 by Los Angeles Superior Court Judge Kurt Lewin, was his client's last hope.

"Once we lost the injunction it was inevitable that somehow, some way, the bank would move (to claim the ship)," Rogers said.

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## Undersea Princess

### The Louise Will Be Raised, but Only to Be Deep-Sixed Again as an Artificial Reef

May 03, 1990 | CLAY EVANS | TIMES STAFF WRITER

After two weeks of underwater patching and welding on the capsized Princess Louise in Los Angeles Harbor, salvage workers are nearly ready to refloat the once elegant passenger ship and dockside restaurant.

But once raised, the ship that mysteriously sank last October will make only one last, short voyage before it is consigned to Davy Jones' locker. Workers plan to tow the 300-foot-vessel out of the harbor, perhaps as early as Friday, and scuttle it a mile off Point Vicente to create an artificial reef.

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In an unusual procedure, the salvagers are pumping air into the ship's hull in an effort to refloat it upside down.

Workers also have cleared the lower half of the ship of all ballast and expect that the ship will roll upside down when it is pulled into deeper water at high tide, said Willem G. Boelman, owner of TriNav Shipping, one of two Vancouver, Canada-based companies engineering the \$1-million salvage operation.

"This has been a very challenging and interesting operation," Boelman said. "We may have T-shirts made up saying, 'I Survived the Salvage of the Princess Louise.' "

After years as a popular floating restaurant moored beneath the Vincent Thomas Bridge, the Princess Louise fell on hard times in 1988 and was repossessed by the Bank of San Pedro. The ship, which the bank hoped to sell, was undergoing repairs at the Southwest Marine shipyard on Terminal Island when it began listing and abruptly sank last Oct. 30. Salvage workers said this week they still don't know what caused the ship to founder.

Some workers on the ship Tuesday said climbing in and around the doomed Princess left them with an eerie, otherworldly sensation.

"I came down in here right after it went over," said Mike McKeown, yard manager for Southwest Marine. "It was really weird, like the Poseidon Adventure," he said, referring to a book and 1972 movie about a capsized ocean liner.

The 67-year-old ship, which once plied the seas between Vancouver, Canada, and Puget Sound and spent nearly 20 years as a floating restaurant in Los Angeles Harbor, has lain half-submerged on its side since it sank. Although most of the vessel had been sealed off to help refloat it, workers Tuesday were still climbing down into the main bar and restaurant salon plugging newly developed air leaks.

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**Undersea Princess**

**The Louise Will Be Raised, but Only to Be Deep-Sixed Again as an Artificial Reef**

May 03, 1990 | CLAY EVANS | TIMES STAFF WRITER

(Page 2 of 2)

The floral carpeting in the main bar now smells of mildew, broken glasses sparkle beneath green water, and the mahogany woodwork is overgrown with algae. A mannequin's head--tossed into a water-filled hallway by a salvage worker with a morbid sense of humor--stares back through a porthole.

Salvage workers said they would probably let the boat float a day before towing it out to sea.

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"We want to check that hull several times over to make sure it's OK," Boelman said. "Besides, we want to get at the Dom Perignon. We know where the bottles are."

Local diving clubs and sport fishermen have long lobbied for creation of a reef in the area because it would attract fish, said John Grant, a marine biologist with the state Fish and Game Department. Fish and Game officials already held the necessary permits to scuttle a ship when Grant decided to pursue the Princess Louise last winter, he said.

"It is a pretty boat," Grant said. "We thought, 'What a shame to melt it down.' There was not enough money to restore it, so we thought, why not use it for something people can benefit from?"

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## EPA Won't Let Princess Louise Rest in Peace

June 22, 1990 | GREG KRIKORIAN | TIMES STAFF WRITER

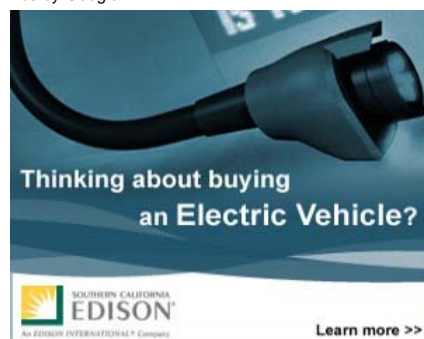
The saga continues.

When we last left the former cruise ship Princess Louise, the ill-fated vessel was lying **900 feet deep** in the outer San Pedro Channel, where it sank en route to its intended resting place off the coast of Santa Catalina Island.

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The sinking of the 330-foot liner was to have ended its final sorry days--bankrupt as a business, no longer seaworthy, capsizing in a Terminal Island shipyard, even plundered by rogue divers.

At last, many had thought Wednesday, the onetime "Queen of the Northern Seas" would rest in peace.

But Thursday, **Environmental Protection Agency officials said they want the Princess Louise Moved from its watery grave.** Turns out the ship sank too close to an **ocean dump site** under the federal agency's jurisdiction, EPA officials said.

"We want the ship to be moved as quickly as possible, if it's possible, to another location," EPA spokeswoman Lois Grunwald said Thursday.

Where it sits now, according to Grunwald and EPA oceanographer Pat Cotter, the ship could interfere with the EPA's study of the dump site, where hundreds of thousands of tons of dredge material are discarded each year by the ports of Los Angeles and Long Beach. The dump, with a radius of 1,000 yards, has been in use for decades, they said.

"We have to monitor that site and take sea-bottom samples to collect fish and invertebrates. So if we're trying to find out what's out there and bingo, our nets hit the ship, it could be costly," Cotter said.

"We'd lose lots of time. We'd lose lots of money. And we'd lose lots of scientific samples. It could be a real problem."

But moving the Princess Louise may be an even bigger problem.

"If you're talking **science fiction**, if you're talking **Hollywood**, it can be done. But if you're talking real life, no," said Coast Guard Lt. Cmdr. F. L. McClain, who supervised the escorting of the Princess Louise out to sea Wednesday.

The ship's depth, condition and history, McClain said, all suggest that everyone might be better off just leaving it where it lies.

After all, it took a team of divers, naval architects and stout salvagers more than two months to raise the Princess Louise from about **45 feet of water at Berth 241 in Terminal Island.** Until two weeks ago, the 2,300-ton vessel sat listing to starboard ever since **mysteriously capsizing** Oct. 30 as it underwent repairs.

Even after it was raised upright, the ship's frailty was obvious and salvage crews continued to work day and night to prepare it for its last voyage--the one it never completed.

**Coast Guard officials said there was no stopping it from sinking where it did.**

"They tried to save it, but they couldn't," McClain said. Mud and other debris from the ship's hull clogged equipment and made it impossible to keep it afloat, McClain said.

A half-dozen Martech USA Inc. salvage divers tried to free the pumps until the very end, McClain said. "They stayed aboard until the main deck was awash and finally had to leave. There was nothing else they could do."

EPA officials said they would consult with the Coast Guard, marine engineers and the Princess Louise's owner and salvager, Willem Boelman, about the possibility of moving the vessel to deeper waters. Boelman returned to Vancouver, Canada, after the ship sank and could not be reached for comment.

"We want to know what our options are," Cotter said.

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**United States Court of Appeals, Ninth Circuit.****BANK OF SAN PEDRO v. FORBES WESTAR INC**

**BANK OF SAN PEDRO, a California corporation, Plaintiff-Appellant, v. FORBES WESTAR, INC., a Washington corporation; ?? Ropner Insurance Services, Ltd.; Lloyd's Underwriters; Threadneedle Insurance Company, Ltd., et al., Defendants-Appellees.**

**No. 93-55979.**

**Argued and Submitted Feb. 9, 1995. -- April 24, 1995**

Before: BEEZER, and NOONAN, Circuit Judges, and EZRA, District Judge.\*

Patrick D. Webb and Michael M. Daly, Grace, Skocypec, Cosgrove, and Schirm, San Diego, CA, Kenneth B. Wassner, F.D.I.C., Irvine, CA, E. Whitney Drake, F.D.I.C., Washington, DC, for plaintiff-appellant Bank of San Pedro. David Gorney, Chase, Rotchford, Drukker, and Bogust, Los Angeles, CA, for defendant-appellee Forbes Westar, Inc. Scott T. Pratt and Elizabeth Ann Kendrick, Keesal, Young, and Logan, Long Beach, CA, for defendant-appellee Ropner Ins. Services. Lawrence D. Bradley, Jr., Gordon K. Wright, Dimitrios P. Biller and Mark Christian Hendricks, Pillsbury, Madison, and Sutro, Los Angeles, CA, for defendants-appellees Lloyd's Underwriters, and Threadneedle Ins. Co.

**ORDER**

The opinion filed on April 13, 1995 is hereby withdrawn.

**OPINION**

Bank of San Pedro (the Bank) appeals from the grant by the district court of summary judgment in favor of Lloyd's Underwriters and companies selling insurance on the London Insurance Market (the Insurers). We reverse the district court.

**PROCEEDINGS**

The Bank filed its complaint against the Insurers alleging **breach of an insurance contract** and various other claims in the Southern District of California on August 28, 1991. The Bank alleged jurisdiction based on diversity of citizenship. The defendants were the Insurers that underwrote the insurance on the London Market and the two brokers through whom the insurance was purchased, Forbes Westar, Inc. (Forbes), an insurance broker based in the State of Washington, and Ropner Insurance Services, Ltd. (Ropner), a London insurance broker qualified to do business at Lloyd's. The brokers took no part in this appeal; "defendants" herein refers to the Insurers.

The Bank, the owner of a ship, the **Princess Louise, sought recovery for its loss**. The Bank moved to strike the answer of the defendants on the ground that they had failed to comply with California Insurance Code § 1616. On July 21, 1992, the district court denied the motion to strike holding that the insurance contract fell within two exceptions in § 1620. The Insurers moved for summary judgment, which was granted by the district court on July 27, 1992.

The Bank appeals both the denial of the motion to strike and the grant of summary judgment.

**ANALYSIS****Jurisdiction**

The Bank asserted jurisdiction in the district court on the basis of diversity of citizenship. The Federal Deposit Insurance Corporation has since been substituted for the Bank and now is the proper party. We continue to have jurisdiction pursuant to 12 U.S.C. § 1819(b)(2)(A).

Regardless of the source of jurisdiction, there can be no dispute that the contract to insure the Princess Louise is a contract of marine insurance. This court has observed that "whether federal or local law applies to a maritime insurance contract can present a troublesome question." *Bohemia, Inc. v. Home Ins. Co.*, 725 F.2d 506, 509 (9th Cir.1984).

## The Applicable Law

The Insurers now argue that California procedural rules have no application because federal maritime law controls. The Insurers are mistaken. It has been authoritatively recognized that, **just as Congress has abstained from regulating insurance, so should the federal courts.** The Supreme Court has declared: "We, like Congress, leave the regulation of marine insurance where it has been-with the States." *Wilburn Boat Co. v. Fireman's Fund Ins. Co.*, 348 U.S. 310, 321, 75 S.Ct. 368, 374, 99 L.Ed. 337 (1955). The Supreme Court has noted that the requirement of a uniform federal maritime law "still leaves the states a wide scope" and that state created liens, state remedies for wrongful death, state laws governing arbitration agreements, and state laws regulating the effect of a breach of warranty under contracts of marine insurance have all "been accepted as rules of decision in admiralty cases." *Romero v. International Terminal Operating Co.*, 358 U.S. 354, 373-74, 79 S.Ct. 468, 481, 3 L.Ed.2d 368 (1959). As Justice Scalia recently put it, "It would be idle to pretend that the line separating permissible from impermissible state regulation is readily discernible in our admiralty jurisprudence, or indeed is even entirely consistent within our admiralty jurisprudence," *American Dredging Co. v. Miller*, 510 U.S. 443, ----, 114 S.Ct. 981, 987, 127 L.Ed.2d 285 (1991); but California's bond requirement not only is part of the state's regulation of insurance, it is the kind of local policy that federal courts are to apply when sitting in admiralty. *Id.* at ----, 114 S.Ct. at 989. Consequently, we must apply the California law regulating marine insurance.

California devotes an entire section of its law, the Insurance Code, to the regulation of insurance. Chapter 4 of that law is addressed to "foreign insurers." Section 1616 provides:

### Section 1616. Prerequisites to Filing of Pleading.

Before any nonadmitted foreign or alien insurer shall file or cause to be filed any pleading in any action, suit or proceeding instituted against it, the insurer shall either (1) procure a certificate of authority to transact insurance in this state; or (2) give a bond in the action, suit or proceeding in an amount to be fixed by the court sufficient to secure the payment of any final judgment which may be rendered in the action, suit or proceedings.

This requirement of California law is part of its regulatory scheme. To disregard it would be to damage the mechanism by which California regulates insurance. Following the teaching of *Wilburn Boat*, we apply the requirement.

The defendants are admittedly foreign insurers. They have not procured the certificate or filed the bond required by the statute. Therefore, unless they fit within an exception, they are disqualified from pleading. The exception to which they appeal is provided by § 1620(a): "The provisions of the preceding sections of this article shall not apply to any action, suit or proceeding against any unauthorized foreign or alien insurer arising out of any contract of insurance effected in accordance with Sections 1760.5 and 1763."

Chapter 6, Surplus Line Brokers, § 1760.5 states that the provisions limiting the insurance which may be placed with nonadmitted insurers do not apply to "insurance against perils of navigation . upon hulls . or other shipowner interests" and goes on to specify that such insurance "may be placed with a nonadmitted insurer only by and through a special lines' surplus line broker. The license of a special lines' surplus line broker shall be applied for and procured and shall be subject to the same fees for filing on issuance in the same manner as the license of the surplus line broker, except that in lieu of the bond required by Section 1765, there shall be delivered to the commissioner a bond in the form, amounts, and condition specified in Sections 1663 and 1665 for an insurance broker and only one fee shall be collected from one person for both licenses." *Id.* § 1760.5(b). The statute manifestly implies that the special lines' surplus line broker must be licensed; otherwise there would be no point in the statute's provision for the broker's licensing in the same way as a surplus line broker and for providing that the placing of insurance in violation of these provisions is a misdemeanor. *Id.* § 1760.5(d).

**The Insurers are all foreign to California.** There is no contention that Ropner is a licensed special lines' surplus line broker. The Bank submitted a statement certified by the California Commissioner of Insurance that there was no record of Forbes being either a licensed surplus line broker or a licensed special lines' surplus line broker; and there is now no contention that Forbes is either one or the other. Consequently, the exception provided by § 1760.5(a)(2) does not apply. Moreover, to qualify for the § 1620(a) exception, the insurance must be effected in accordance with § 1763. Section 1763 sets conditions to the placement of insurance by a surplus lines broker including a report to the commissioner regarding the insurance. There has been no showing that such a report was made. For this reason, too, the § 1620(a) exception does not apply.

It is irrelevant whose agent Forbes or Ropner was. **None of the defendants have met the statutory terms.** As there is no exception, the defendants as they now stand are not permitted to file an answer. We have no reason to consider other arguments raised on this appeal as there is no answer before the court.

Accordingly, the judgment of the district court is REVERSED and the case **REMANDED for proceedings consistent with this opinion.**

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