

CREDIT GENERAL INSURANCE COMPANY, IN LIQUIDATION  
LIQUIDATION DATE JANUARY 5, 2001  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
CUMULATIVE FROM JANUARY 5, 2001 TO DECEMBER 31, 2005

	Current Period 7/1/2005 TO 12/31/2005	Year to Date TO 12/31/2005	Cumulative From 1/5/2001
Beginning Cash & Invested Assets (Note 1)	18,525,446.55	18,238,039.15	18,679,219.65
Receipts:			
Interest Income (Note 2)	456,535.03	787,137.09	3,742,351.97
Premiums Collected (Note 3)	613,068.80	967,806.48	15,601,543.08
Recovery of Statutory Deposit	0.00	348,938.54	610,139.90
Production of Document Income	0.00	250.00	350.25
Reinsurance Recoveries (Note 4)	707,994.10	2,599,835.88	6,074,838.06
Salvage & Subrogation (Note 5)	104,757.70	203,741.39	3,684,253.21
Reimbursement of Paid Claims (Note 6)	1,669.11	3,094.11	1,283,234.82
Recovery from TPA'S	0.00	0.00	2,840,920.80
Recovery of Workers' Comp Deposits	0.00	0.00	85,582.77
Recovery of Cash Value of Surrendered Life Insurance Policies	0.00	0.00	1,039,301.92
Refund of General Operating Expenses	0.00	0.00	21,172.73
Refund of Payroll Taxes	0.00	0.00	1,798.90
Refund of Insurance Department Licenses & Fees	0.00	0.00	1,968.84
Uncashed and Voided Checks	0.00	0.00	216,231.90
Return of Bond Collateral	0.00	0.00	323.25
Recovery from Prudential Securities Inc.	0.00	0.00	185,906.28
Proceeds from Sale of ISO Stock	0.00	0.00	775,173.60
Insurance Recovery-Theft of Computers/Equipment (Note 7)	1,972.33	1,972.33	1,972.33
Recoveries from Settlement Agreements (Note 8)	65,137.50	133,700.00	2,708,725.80
Proceeds from the Sale of Assets	0.00	113,245.77	117,437.92
Refund of Premium Taxes & Assessments	0.00	0.00	234,452.73
Proceeds from Closed Accounts	0.00	0.00	272,325.61
Recovery from Directors and Officers (Note 9)	3,893,431.31	4,657,289.48	4,791,359.06
Recovery from LOC Drawdowns (Note 10)	15,000.00	15,000.00	2,195,789.89
Recovery of Preference Payments (Note 11)	7,500.00	48,500.00	1,621,704.87
Recoveries Under High Deductible Policies	0.00	0.00	131,481.79
Recovery of Unearned Commissions	0.00	58,074.76	1,018,934.47
Other Income (Note 12)	3,618.02	24,957.17	105,374.87
<b>Total Receipts</b>	<b>5,870,683.90</b>	<b>9,963,543.00</b>	<b>49,364,651.62</b>
Disbursements:			
Transfer of Funds to TTC escrow account	0.00	0.00	25,224.25
Transfer of Funds to CGIC\PRS Trust account	0.00	350,973.90	350,973.90
Reinsurance Payment	0.00	5,000.00	5,000.00
Transfer of Funds to CGIC Cash Collateral (Note 25)	15,006.77	15,006.77	15,006.77
Reinsurance Ceded-AmTrust	0.00	0.00	2,326,068.04
Compensation			
Salaries (Note 13)	748,383.96	1,288,327.58	7,617,109.71
Employee Benefits (Note 14)	55,679.23	114,615.02	576,878.48
Payroll & Other Taxes (Note 15)	54,519.71	96,811.07	431,862.40
Professional Fees			
Legal Fees (Note 16)	1,490,450.54	2,134,806.57	12,109,477.73
Consulting Fees and Other Outside Contracts (Note 17)	1,496,826.55	2,851,598.37	19,307,356.32
Ohio Dept of Insurance-Examiner Fees	0.00	0.00	172,035.72
Accounting Fees (Note 18)	10,261.04	10,475.74	274,494.99
Other Expenses of Administration of Company and its Property:			
Rent & Rent Items (Note 19)	90,242.47	173,375.84	1,134,128.99
Equipment Expenses (Note 20)	10,045.84	19,065.17	129,127.29
Travel & Travel Items (Note 21)	49,545.03	101,543.46	669,838.04
Postage, Freight, Internet, and Telephone (Note 22)	16,256.01	34,934.30	290,402.10
Office Supply Expense (Note 23)	5,692.95	9,177.66	80,931.60
Data Processing (Note 24)	20,644.49	41,672.93	223,646.65
Draft Clearing - Cleared Commercial Claims Checks	0.00	0.00	497,058.52
Security Deposit Expense	0.00	0.00	1,733.34
Investment Expense	0.00	1,024.67	55,789.20
Commissions and Brokers Direct	0.00	0.00	298,437.18
Third Party Administrators	0.00	0.00	1,161.63
Return of Funds Received in Error	0.00	0.00	404,193.39
Settlement Expense	0.00	0.00	40,716.43
Other Expenses (Note 26)	94,258.79	232,477.66	2,138,162.13
All Other Disbursements:			
Net Purchases (Proceeds) in Ancillary Security Deposits (Note 27)	70,937.50	70,937.50	346,124.34
<b>Total Disbursements</b>	<b>4,228,750.88</b>	<b>7,551,824.21</b>	<b>49,522,939.14</b>
Net Decrease in Impaired Assets	0.00	(466,999.55)	(662,114.85)
Encumbered Cash Accounts (Note 28)	1,759,516.25	1,759,516.25	1,759,516.25
Recovery of Special Deposits	0.00	0.00	2,446,123.86
Security Amortization for the Period	(15,633.72)	(31,012.54)	(153,195.29)
<b>Ending Cash &amp; Invested Assets (Note 1)</b>	<b>21,911,262.10</b>	<b>21,911,262.10</b>	<b>21,911,262.10</b>

See Schedule A for Analysis of Increase in Cash and Invested Assets (Unencumbered)

**CREDIT GENERAL INSURANCE COMPANY, IN LIQUIDATION  
LIQUIDATION DATE JANUARY 5, 2001  
ANALYSIS OF INCREASE IN CASH AND INVESTED ASSETS (UNENCUMBERED)  
FOR THE PERIOD JULY 1, 2005 THROUGH DECEMBER 31, 2005**

**SCHEDULE A**

<b>Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 07/01/05</b>	<b>26,335,527.51</b>
Net Increase in Cash and Invested Assets (Unencumbered)	1,626,299.30
Increase in Cash (Encumbered)	1,759,516.25
Increase in Non Cash Assets ( Encumbered)	<u>5,631.90</u>
<b>Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/05</b>	<b><u><u>29,726,974.96</u></u></b>

Credit General Insurance Company, In Liquidation  
Liquidation Date: January 5, 2001  
Notes to Statement of Cash Receipts and Disbursements  
Cumulative From 1/5/01 to 12/31/05

<b>Note 2</b>	<b><u>Interest Income</u></b>	
	Interest on Bonds	53,505.67
	Interest Paid on Bonds	(1,142.27)
	Interest on Repurchase Agreements	327,639.22
	Interest on Bonds Held as Statutory Deposit	76,532.41
		<u>456,535.03</u>
<b>Note 3</b>	<b><u>Premiums Collected</u></b>	
	Receipt of Uncollected Premium	199,876.03
	Release of BISA Premium Funds From CGIC\PRS Trust Account	413,192.77
		<u>613,068.80</u>
<b>Note 4</b>	<b><u>Reinsurance Recoveries</u></b>	
	Hurst Holmes/ISG Recovery	339,773.71
	Appalachian U/W/ISG Recovery	31,093.93
	Minnesota WCRA Recovery	102,319.35
	SARF Federal Insurance Co.	234,807.11
		<u>707,994.10</u>
<b>Note 5</b>	<b><u>Salvage &amp; Subrogation</u></b>	
	Salvage & Subrogation	104,757.70
		<u>104,757.70</u>
<b>Note 6</b>	<b><u>Reimbursement of Paid Claims</u></b>	
	Arbor Healthcare LLC	138.03
	Norm Armstrong Roofing Inc.	205.00
	Baystate Medical Center	276.08
	Courtcall LLC	50.00
	Paragon Asset Recovery	1,000.00
		<u>1,669.11</u>
<b>Note 7</b>	<b><u>Insurance Recovery-Theft of Computers/Equipment</u></b>	
	CNA-Insurance Proceeds from Theft of Computer/Equipment	1,972.33
		<u>1,972.33</u>

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<b>Note 8</b>	<b><u>Proceeds from Settlement Agreements</u></b>	
	Independence Bank	60,000.00
	B&S Underwriters Interest payments on Promissory Note	5,137.50
		<u>65,137.50</u>
<b>Note 9</b>	<b><u>Recovery from Directors and Officers</u></b>	
	ERII D & O Insurer Settlement Proceeds (CGIC Portion)	2,519,431.31 **
	John Boyko - D & O Settlement	500.00
	John H Fehler - D & O Settlement	4,000.00
	Gregory A Fazekash - D & O Settlement	57,000.00
	Barry W Moses - D & O Settlement	12,500.00
	Robert Lucia - D & O Settlement	1,300,000.00
		<u>3,893,431.31</u>
	** On 9/12/05, the sum of \$4,062,500 was received from ERII, the D&O insurer, and was deposited directly to CGIC\PRS Trust Account. On 9/16/05, the settlement proceeds plus \$1,098.89 of earned interest were allocated and disbursed as follows: CGIC portion 62%, \$2,519,431.31 was paid from the trust account to the CGIC general assets account and the PRS portion 38%, \$1,544,167.58 was paid from the trust account to Sean Logan, PRS Trustee.	
<b>Note 10</b>	<b><u>Recovery from LOC Drawdown</u></b>	
	Distribution Services	15,000.00
		<u>15,000.00</u>
<b>Note 11</b>	<b><u>Recovery of Preference Payments</u></b>	
	DHL Express/Airborne Express	7,500.00
		<u>7,500.00</u>
<b>Note 12</b>	<b><u>Other Income</u></b>	
	Intercompany Income-Equipment Income	3,618.02
		<u>3,618.02</u>

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Liquidation Date: January 5, 2001  
Notes to Statement of Cash Receipts and Disbursements  
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<b>Note 13</b>	<b><u>Salaries</u></b>	
	Chief Deputy Liquidator	22,090.14
	Deputy Liquidators	67,757.31
	Employee Salaries	658,536.51
		<b><u>748,383.96</u></b>
<b>Note 14</b>	<b><u>Employee Benefits</u></b>	
	Salaries 401K Employer Contribution	15,129.66
	Employee Insurance Benefits	39,615.40
	Employee Relations Other	934.17
		<b><u>55,679.23</u></b>
<b>Note 15</b>	<b><u>Payroll &amp; Other Taxes</u></b>	
	Workers Compensation Insurance	1,363.57
	State Unemployment Tax	408.51
	Federal Unemployment Tax	125.60
	FICA Tax	52,622.03
		<b><u>54,519.71</u></b>
<b>Note 16</b>	<b><u>Legal Fees</u></b>	
	<b><u>Special Counsel</u></b>	
	Dinsmore & Shohl LLP	414,699.50
	Kegler Brown Hill & Ritter	429,235.46
	Klehr Harrison Harvey Branzburg & Ellers LLP	8,284.00
	Leonard O'Brien Spencer Gale & Sayre Ltd.	145,000.00
	Oppenheimer Wolff & Donnelly LLP	119,503.00
	Tribler Orpett & Meyer PC	203,950.50
	<b>Subtotal Special Counsel Legal Fees</b>	<b><u>1,320,672.46</u></b>
	<b><u>Legal Expenses</u></b>	
	Dinsmore & Shohl LLP	11,347.11
	Kegler Brown Hill & Ritter	97,223.53
	Klehr Harrison Harvey Branzburg & Ellers LLP	356.20
	Leonard O'Brien Spencer Gale & Sayre Ltd.	31,891.84
	Logan & Soileau LLC	564.52
	Oppenheimer Wolff & Donnelly LLP	13,040.59
	Tribler Orpett & Meyer PC	15,354.29
	<b>Subtotal Special Counsel Legal Expenses</b>	<b><u>169,778.08</u></b>
	<b>Total Legal Fees and Expenses</b>	<b><u>1,490,450.54</u></b>

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**Note 17**    **Consulting Fees and Other Outside Contracts**

Abbey Adams Byelick Kierm - Claims Consultant	2,726.27
ADP - Payroll Processing	1,019.98
All World Tracers - Claims Consultant	715.15
Buttner Hammock & Company - Accounting Consultants	5,640.00
Diane L Holewinski -Claims Consultant	46,938.65
Dickinson and Gibbons - Legal Consultant	612.50
DINSNET Technologies LLC	9,649.05
Insurance Metrics Corporation (William Hager) - Expert Witness	9,261.00
Glenn Cornett - Claims Consultant	39,833.75
James Patterson - Claims Consultant	9,345.00
James Young - Administrative Consultant	44.91
Jamie Mason -Accounting Consultant	21,112.53
John Larking - Legal Consultant, Stenographer and Videographer	4,384.34
John O'Grady - Legal Consultant	240.00
Karl Rubinstein - Litigation Consultant	16,525.15
Kathleen McCain - Legal Consultant	166,352.73
KB Resolutions - Reinsurance Consultant	17,093.75
Juge, Napolitano, Guilbeau - Claims Consultant	74.33
Lori A Felder -Accounting Consultant	18,587.45
Madison Consulting Group - Actuarial Consultants	98,157.04
Nesser Consulting Group -Accounting Consultants	398,457.00
Pamela J Archer -Accounting Consultant	9,769.70
Paragon Reinsurance Risk- Reinsurance Consultant	306,375.28
Pluschau Consultants - Accounting Consultants	6,854.00
Price Waterhouse Coopers - Tax Consultants	46,907.00
Rissman Weisberg Barrett - Claim Review	36.00
Spectrum Reporting - Legal Consultant	1,276.65
Steven M Schroeder - Reinsurance Consultant	90,720.74
Thomas P Clarke- Claims Consultant	48,099.81
Thomas R Brewer - Claim Consultant	202.50
William J Stout - IT Consultant	119,814.29
	<b><u>1,496,826.55</u></b>

**Note 18**    **Accounting Fees**

Ernst & Young	10,261.04
	<b><u>10,261.04</u></b>

**Note 19**    **Rent & Rent Items**

Rent on Leased Properties	54,800.40
Rent -Other	41.94
Utilities - Gas/Electric	13,455.45
Janitorial Service	6,773.90
Furniture Fixture & Equipment Rent	15,170.78
	<b><u>90,242.47</u></b>

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<b>Note 20</b>	<b><u>Equipment Expenses</u></b>	
	ADT Security Services	243.18
	Custom Air	750.74
	Gordon Flesch Co Inc - Copier Maintenance	168.07
	Paul Miller Electric - Conference room wiring	49.14
	IKON Office Solutions - Copier Rent & Maintenance	8,532.24
	Dave Gregory Electric	222.76
	Xerox Corp.	79.71
		<u>10,045.84</u>
<b>Note 21</b>	<b><u>Travel &amp; Travel Items</u></b>	
	Liquidation Employees - Travel & Accommodation	12,000.53
	CGIC Consultants - Travel & Accommodation	29,804.59
	Liquidation Employees - Meals	1,256.89
	CGIC Consultants - Meals	6,483.02
		<u>49,545.03</u>
<b>Note 22</b>	<b><u>Postage, Freight, Internet, and Telephone</u></b>	
	Postage	5,272.78
	Express & Freight	1,574.82
	Telephone and Fax	8,190.06
	Internet	1,218.35
		<u>16,256.01</u>
<b>Note 23</b>	<b><u>Office Supply Expense</u></b>	
	Office Expense	5,692.95
		<u>5,692.95</u>
<b>Note 24</b>	<b><u>Data Processing</u></b>	
	Computer Hardware Cost	3,664.04
	Computer Maintenance	1,447.72
	Computer Supplies	1,686.32
	Computer Software Lease	13,846.41
		<u>20,644.49</u>

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<b>Note 25</b>	<b><u>Transfer of LOC Funds to CGIC/Cash Collateral Account</u></b>		
	Distribution Services-Transfer of funds to CGIC Cash Collateral		15,006.77
			<u>15,006.77</u>
<b>Note 26</b>	<b><u>Other Expenses</u></b>		
	Intercompany A/R due from Colonial Insurance		1,769.21
	Collection Agency Fees - Premiums and Unearned Commissions		4,631.42
	Training & Seminars		356.21
	Insurance - Building Liability		1,708.46
	Professional Liability Insurance		26,355.04
	Registration and Dues		319.17
	Furniture & Equipment - Non Capitalized Purchases		1,455.04
	Books & Periodicals		412.49
	Contract Printing		1,381.25
	Collection & Bank Charges		692.48
	401K Plan Expenses		67.68
	Temporary Help		54,762.12
	Investment Expense		181.25
	Copying Projects		87.00
	Miscellaneous Expenses		79.97
			<u>94,258.79</u>
<b>Note 27</b>	<b><u>Net Proceeds/Purchases in Ancillary Security Deposits (LA &amp; MA)</u></b>		
			70,937.50
			<u>70,937.50</u>
<b>Note 28</b>	<b><u>Encumbered Cash Accounts</u></b>		
	Cash Collateral:		
	Reliance Insurance Collateral Account - Subrogation Recoveries	16,036.47	
	Unified Staffing & Associates LOC drawdown	26,618.23	
	Distribution Services LOC drawdown	15,198.54	
	Pacific Secured Equities LOC drawdown	125,105.71	
			182,958.95
	TTC Cash Collateral		940,703.09
	Oregon Special Deposit Proceeds		276,936.16
	CGIC\PRS Bankruptcy Trust:		
	Lucia Garnishment - Key Bank	125,604.98	
	Lucia Garnishment - Bank of America	5,221.82	
	Lucia - Proceeds from Contempt Judgment	228,091.25	
			358,918.05
			<u>1,759,516.25</u>