



## MEMORANDUM IN SUPPORT

This motion is brought by the Liquidator requesting that this Court approve CGIC's Statement of Receipts and Disbursements of the Liquidator for the period of July 1, 2009 through December 31, 2009 (the "Statement"). The Statement is described and set forth in the attached Exhibit A.

By Orders of this Court entered on December 12, 2000 and January 5, 2001, the Ohio Superintendent of Insurance was appointed Liquidator of Credit General Insurance Company and Credit General Indemnity Company, respectively, and was empowered, authorized and directed to liquidate all of the property and assets of CGIC in accordance with the laws of Ohio and under the continuing jurisdiction of this Court. As part of the liquidation and pursuant to the Orders of Liquidation and Ohio Revised Code Chapter 3903, the Liquidator undertakes to collect all debts and moneys due to CGIC, and makes payment of necessary expenses. The Liquidation Order and O.R.C. 3903.21(A)(4) provides, in pertinent part, that the Liquidator may:

Pay reasonable compensation to persons appointed and defray from the funds or assets of the insurer all expenses of taking possession of, conserving, conducting, liquidating, disposing of or otherwise dealing with the business and property of the insurer.

Section 3903.42(A) of the Ohio Revised Code provides that the expenses of administration be given first priority in the distribution of assets.

The Liquidator is also required by R.C. 3903.18(E) to periodically account to the Court, throughout the pendency of CGIC's liquidation proceeding, to be submitted in the form attached hereto as Exhibit A. Such accountings may assist the Court in monitoring the progress and status of the liquidation, and in particular, the receipts and disbursements in CGIC's proceedings.

Since 2008, the Liquidator has made required changes in many areas aimed at preserving and utilizing estate assets for the benefit of the estate's creditors and substantially reducing and controlling costs. In particular, the Liquidator has taken steps to increase efficiencies in, and reduce costs

associated with, the use of outside counsel and consultants. In 2009, the Liquidator reduced outside counsel legal expenses in this estate by over 46% of the total expenditure for legal expenses in 2008, and reduced outside consultant expenses by nearly 70% of the 2008 consultant expenditure.

The Liquidator will continue to take steps to reduce and control costs and continue to investigate ways to improve efficiencies in the liquidation process and implement other procedures that are aimed at conserving estate assets for timely distributions to policyholders and creditors.

For the reasons outlined above, the Liquidator respectfully requests the Court to approve CGIC's Statement of Receipts and Disbursements of the Liquidator for the periods of July 1, 2009 through December 31, 2009, as set forth in the attached Exhibit A.

Respectfully submitted,

RICHARD CORDRAY  
Attorney General of Ohio

By Outside Counsel:  
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*Attorneys for Mary Jo Hudson, in her capacity as Liquidator of  
Credit General Insurance Company*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing Motion and Accompanying Memorandum was served via first class ordinary U.S. Mail, postage prepaid, this 22nd day of March, 2010, upon all parties on the attached Service List:

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*PRS Trustee*

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**EXHIBIT A**  
*Credit General Insurance Company*  
*July 1, 2009 through December 31, 2009*

**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, 2009**

	Current Period 7/1/2009 TO 12/31/2009	Year to Date TO 12/31/2009	Cumulative From 1/5/2001
<b>Beginning Cash &amp; Invested Assets (Note 1)</b>	49,850,721.90	49,442,242.52	18,679,219.65
<b>Receipts:</b>			
Interest Income (Note 2)	36,697.97	187,781.93	8,357,645.85
Premiums Collected (Note 3)	84,131.06	467,748.05	21,247,221.85
Recovery of Statutory Deposit	0.00	0.00	709,975.37
Production of Document Income	0.00	0.00	350.25
Reinsurance Recoveries (Note 4)	2,542,486.01	2,999,856.98	32,802,385.00
Salvage & Subrogation (Note 5)	2,410.13	106,225.33	4,254,857.99
Reimbursement of Paid Claims	0.00	0.00	1,288,517.96
Recovery from TPA'S	0.00	0.00	2,972,510.92
Recovery of IRS Tax Refunds	0.00	0.00	10,565,562.46
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 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	0.00	0.00	1,972.33
Recoveries from Settlement Agreements (Note 6)	3,000,000.00	3,000,000.00	11,743,725.80
Proceeds from the Sale of Assets	0.00	222.32	118,513.45
Refund of Premium Taxes & Assessments (Note 7)	6,570.00	6,570.00	241,022.73
Refund of General Operating Expenses (Note 8)	622.84	622.84	21,795.57
Proceeds from Closed Accounts	0.00	14,710.50	287,036.11
Recovery from Directors and Officers	0.00	0.00	5,698,266.31
Proceeds from Closure of BCEBAT Ins. Co. - Prepaid Operating Expenses	0.00	0.00	11,133.23
Proceeds from Closure of PPC Ins. Co. - Prepaid Operating Expenses	0.00	0.00	76,255.04
Proceeds from Closure of ADIC Ins. Co. - Prepaid Operating Expenses	0.00	0.00	112,611.11
Proceeds from Closure of Colonial Ins. Co. - Prepaid Operating Expenses	0.00	0.00	26,891.90
Proceeds from Closure of Ohio General Ins. Co. - Prepaid Operating Expenses	0.00	0.00	38,192.35
Transfer of Funds from CGIC\PRS Trust to CGIC Operating Account	0.00	0.00	375,577.20
Recovery from LOC Drawdowns	0.00	0.00	2,195,789.89
Recovery of Preference Payments	0.00	0.00	2,509,427.57
Recovery of Unearned Commissions (Note 10)	14,037.42	14,037.42	1,177,050.71
Recoveries Under High Deductible Policies (Note 9)	(49,990.00)	1,326,603.58	1,886,675.62
Transfer of Funds from CGIC\Cash Collateral to CGIC Operating	0.00	0.00	17,417.22
Other Income (Note 11)	18,211.96	35,145.71	189,127.06
<b>Total Receipts</b>	<b>5,655,177.39</b>	<b>8,159,524.66</b>	<b>111,233,796.31</b>

**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, 2009**

	Current Period 7/1/2009 TO 12/31/2009	Year to Date TO 12/31/2009	Cumulative From 1/5/2001
<b>Disbursements:</b>			
Transfer of Funds to TTC escrow account	0.00	0.00	25,224.25
Transfer of Funds to CGIC\PRS Trust account	0.00	0.00	350,973.90
Transfer of PRS Portion of IRS Tax Refund	0.00	0.00	4,615,787.07
Transfer of CGIN Portion of IRS Tax Refund	0.00	0.00	451,321.41
Transfer of CGIN Portion of Premium Settlement Recoveries	0.00	0.00	221,011.75
Release of Ancillary Deposits to various states IGA	0.00	0.00	100,000.00
Reinsurance Payment	0.00	0.00	5,000.00
Transfer of Funds to CGIC Cash Collateral	0.00	1,890,526.96	1,926,791.65
Reinsurance Ceded-AmTrust	0.00	0.00	2,326,068.04
Transfer of Net Proceeds from Closure of ADIC to OGICO	0.00	2,250.00	2,250.00
Release of First General Ins Co (MetLife) Funds Held per Reinsurance Agreement	0.00	10,081.02	10,081.02
<b>Compensation</b>			
Salaries (Note 12)	528,242.16	1,131,059.36	13,246,224.51
Employee Benefits (Note 13)	62,532.77	153,009.85	1,198,908.23
Payroll & Other Taxes (Note 14)	34,062.79	81,519.28	851,109.55
<b>Professional Fees</b>			
Legal Fees (Note 15)	69,159.29	406,621.41	16,538,219.78
Consulting Fees and Other Outside Contracts (Note 16)	622,846.53	1,375,777.46	29,715,068.05
Ohio Dept of Insurance-Examiner Fees	0.00	0.00	172,035.72
Tax Preparation and Audit Fees (Note 17)	18,269.23	46,867.23	351,062.76
<b>Other Expenses of Administration of Company and its Property:</b>			
Rent & Rent Items (Note 18)	97,284.33	201,029.15	2,043,407.40
Maintenance/Repair Facility & FF&E (Note 19)	1,013.56	3,702.23	162,318.87
Travel & Travel Items (Note 20)	4,620.73	9,618.89	786,728.63
Postage, Freight, Internet, and Telephone (Note 21)	4,243.55	14,448.40	447,163.24
Office Supply Expense (Note 22)	1,279.35	6,610.34	133,063.63
Data Processing (Note 23)	13,332.27	34,175.49	380,216.04
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 (Note 24)	3,944.61	13,275.60	75,037.86
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	409,620.57
Settlement Expense	0.00	0.00	185,657.16
Warehouse Consolidation Project Expenses (Note 25)	58,223.66	92,016.28	92,016.28
Moving and Relocation Expense	0.00	0.00	149,292.12
Other Expenses (Note 26)	89,492.22	128,478.44	2,888,077.76
<b>All Other Disbursements:</b>			
Net Purchases (Proceeds) in Ancillary Security Deposits	0.00	(65.62)	267,963.02
<b>Total Disbursements</b>	<b>1,608,547.05</b>	<b>5,601,001.77</b>	<b>80,926,090.96</b>
Net Decrease in Impaired Assets	0.00	(121.06)	(662,235.91)
Increase in Encumbered Cash Accounts (Note 27)	2,638.58	1,899,346.47	3,527,540.96
Recovery of Special Deposits	0.00	0.00	2,446,123.86
Security Amortization for the Period	246.32	246.32	(398,116.86)
<b>Ending Cash &amp; Invested Assets (Note 1)</b>	<b>53,900,237.14</b>	<b>53,900,237.14</b>	<b>53,900,237.14</b>
	0.00		

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, 2007 THROUGH DECEMBER 31, 2009**

**SCHEDULE A**

<b>Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 07/01/09</b>	<b>54,924,079.89</b>
Net increase in Cash and Invested Assets (Unencumbered)	4,046,876.66
Net Increase in Cash and Invested Assets (Encumbered)	2,638.58
Net decrease in Non Cash Assets ( Encumbered)	<u>(22.64)</u>
<b>Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/09</b>	<b><u>58,973,572.49</u></b>

Credit General Insurance Company, In Liquidation  
 Liquidation Date: January 5, 2001  
 Notes to Statement of Cash Receipts and Disbursements  
 Cumulative From 7/1/09 to 12/31/09

Unencumbered Cash & Invested Assets

	Beginning Balance 6/30/2009	Ending Balance 12/31/2009
<b>Note 1 Cash and Invested Assets</b>		
Unencumbered Cash & Invested Assets		
Cash	210,133.60	124,760.48
Money Market Funds	46,115,685.89	16,150,353.41
Bonds at Amortized Value	0.00	34,097,582.26
Talcott Notch-Other Structured Securities	0.00	0.00
Common Stock	0.00	0.00
Short Term Investments	0.00	0.00
<b>Total Unencumbered Cash &amp; Invested Assets</b>	<b>46,325,819.49</b>	<b>50,372,696.15</b>
<b>Encumbered Cash Assets</b>	<b>3,524,902.41</b>	<b>3,527,540.99</b>
<b>Total Cash &amp; Invested Assets (Note 1)</b>	<b>49,850,721.90</b>	<b>53,900,237.14</b>
<b>Encumbered Non Cash Assets:</b>		
Statutory Deposits (A)	5,073,357.99	5,073,335.35
<b>Total Cash and Invested Assets and Non Cash Assets</b>	<b>54,924,079.89</b>	<b>58,973,572.49</b>

**Note A** These assets are held by various state insurance departments as statutory deposits for the benefit of creditors in their states. It is uncertain whether all or any portion of such assets will be returned to the Liquidator.

State	Cusip # Description	Where Deposited	PAR Value (06/30/09)		PAR Value (12/31/09)
ID	912828HD5	Wells Fargo	265,000.00		265,000.00
ID	CDA013068 - Matured Proceeds - Returned to Liquidator	Wells Fargo	0.00		0.00
GA	Money Market - Matured Proceeds	Wachovia Bank, N.A.	43,357.99		43,333.82
GA	912827S86-Matured Proceeds	Wachovia Bank, N.A.	60,000.00		60,000.00
GA	912828BE9-Matured Proceeds	Wachovia Bank, N.A.	40,000.00		40,000.00
MA	912828BU3-Matured Proceeds (not replaced as of 6/30/09)	State Street Bank	340,000.00		340,000.00
MA	912828CF5-Matured Proceeds (not replaced as of 06/30/09)	State Street Bank	100,000.00		100,000.00
MA	912828DN7-Matured Proceeds (not replaced as of 06/30/09)	State Street Bank	750,000.00		750,000.00
AR	912828CE8- Matured Proceeds (note replaced as of 06/30/09)	Bank of America	510,000.00		510,000.00
DOL	912828HF0 (Formally 912828EH9)	Federal Reserve Bank	820,000.00		820,000.00
DOL	912828HF0 (Formally 912828EH9)	Federal Reserve Bank	200,000.00		200,000.00
MA	912828EF3-Matured Proceeds (not replaced as of 06/30/09)	State Street Bank	500,000.00		500,000.00
MA	912828EP1-Matured Proceeds (not replaced as of 06/30/09)	State Street Bank	420,000.00		420,000.00
LA	912828KH2	Hibernia Trust	70,000.00		70,000.00
MA	575827EL0-Matured Proceeds (not replaced as of 06/30/09)	State Street Bank	755,000.00		755,000.00
ME	912828HD5	Key Trust Co./ McDonalds Invest.	200,000.00		200,001.53
CA	CD - Matured Proceeds	Bank of America	0.00	B	0.00
CA	CD - Matured Proceeds	Bank of America	0.00	B	0.00
FL	341422JT1 - Matured Proceeds	First Union Natl. Bank	0.00	B	0.00
FL	912827W65 - Matured Proceeds	First Union Natl. Bank	0.00	B	0.00
NC	Money Market - Matured Proceeds	Wachovia Bank, N.A.	0.00	B	0.00
AZ	912827V66 - Matured Proceeds	BNY Western Trust Co.	0.00	B	0.00
AZ	912827G6 - Matured Proceeds	BNY Western Trust Co.	0.00	B	0.00
NM	Money Market - Matured Proceeds	The Bank of Santa Fe Trust	0.00	B	0.00
NM	Money Market - Matured Proceeds	The Bank of Santa Fe Trust	0.00	B	0.00
VA	921827V66 - Matured Proceeds	Sun Trust	0.00	B	0.00
VA	912827L83- Matured Proceeds	SunTrust	0.00	B	0.00
OR	912827G6 - Matured Proceeds	US National Bank	0.00	C	0.00
NM	912827L83 - Matured Proceeds	The Bank of Santa Fe Trust	0.00	B	0.00
OK	679087AG1 - Matured Proceeds	Bank One	0.00	B	0.00
DE	Money Market - Matured Proceeds	Mellon Bank	0.00	B	0.00
SC	912827L83- Matured Proceeds	Wachovia Bank, N.A.	0.00	C	0.00
NV	912828CD0 (Formally 912828AL4)	National City Bank	0.00	D	0.00
SC	912828AB6 - Matured Proceeds	Wachovia Bank, N.A.	0.00	C	0.00
MI	912827V66 - Matured Proceeds	Bank One, Michigan	0.00	C	0.00
			<b>5,073,357.99</b>		<b>5,073,335.35</b>

**Note B** In April of 2009 a Ancillary Holdings reconciliation was processed in conjunction with the various IGA's, these securities were confirmed to have been taken by the corresponding IGA's and applied against the corresponding IGA's Loss/LAE and Administrative expenses.

**Note C** The Michigan P & C Guaranty Association submitted a final accounting of the \$500,000 security deposit. On 6/13/05, \$348,948.54 was returned to the OH Liquidator. The remaining funds were used by MI to reimburse IGA Paid Losses, LAE and Administrative costs.

The South Carolina P & C Insurance Guaranty Association submitted a final accounting for the \$250,000 ancillary security deposit that was being held. The entire sum was used by SC to reimburse Ancillary and IGA Paid Losses, LAE and Administrative costs.

The Oregon P & C Insurance Guaranty Association submitted a final accounting for the \$330,000 ancillary security deposit that was being held. The entire sum was used by OR to reimburse Ancillary and IGA Paid Losses, LAE and Administrative costs.

**Note D** The Nevada IGA had previously requested the release of these funds to the IGA, and the liquidator released these funds to the Nevada IGA on 9/16/08.

Credit General Insurance Company, In Liquidation  
 Liquidation Date: January 5, 2001  
 Notes to Statement of Cash Receipts and Disbursements  
 Cumulative From 7/1/09 to 12/31/09

<b>Note 2</b>	<b><u>Interest Income</u></b>	
	Interest Paid on Bonds	(25,293.96)
	Interest on Bonds Held as Statutory Deposit	30,324.41
	Interest on JPM Chase MMF	31,667.52
		<u>36,697.97</u>
<b>Note 3</b>	<b><u>Premiums Collected</u></b>	
	Receipt of Uncollected Premium	84,131.06
		<u>84,131.06</u>
<b>Note 4</b>	<b><u>Reinsurance Recoveries</u></b>	
	Houston Casualty/Lloyds Syndicate - Commutation Agreement	600,000.00
	Medical Reinsurance Co. - PMA Re: Trean Corp	205.78
	Munich Reinsurance of America Inc. - Commutation Payment	660,000.00
	National Reinsurance Corp.	856,650.07
	Reliastar Life Insurance Co.	393,683.71
	Scandinavian Re - Proceeds from closure of Reinsurance US Bank Trust A/C# 3504-8010	293.83
	Trean Corp. - Sydney Re	46.81
	WCRA Reinsurance	31,605.81
		<u>2,542,486.01</u>
<b>Note 5</b>	<b><u>Salvage &amp; Subrogation</u></b>	
	Salvage & Subrogation	2,410.13
		<u>2,410.13</u>
<b>Note 6</b>	<b><u>Recovery from Settlement Agreements</u></b>	
	Grant Thornton LLP - CGIC vs. Grant Thornton	3,000,000.00
		<u>3,000,000.00</u>
<b>Note 7</b>	<b><u>Refund of Premium Taxes and Assessments</u></b>	
	Mississippi Workers' Compensation Assigned Risk Pool - Refund 1993-1999 Assessments	6,570.00
		<u>6,570.00</u>
<b>Note 8</b>	<b><u>Refund of General Operating Expenses*</u></b>	
	Columbia Gas	312.95
	American Electric Power	309.89
		<u>622.84</u>
	<b>*Refund of Utility Costs Due to Warehouse Consolidation</b>	
<b>Note 9</b>	<b><u>Recoveries Under High Deductible Policies</u></b>	
	On 6/30/09 Odyssey Resource Management wired \$75,000.00 (\$50,000.00 more than was actually due). The Liquidator returned the overpayment to Odyssey (\$50,000.00 overpayment less \$10.00 wire fee).	(49,990.00)
		<u>(49,990.00)</u>
<b>Note 10</b>	<b><u>Recovery of Unearned Commissions</u></b>	
	Combined Independent Agency - Settlement Recovery	14,037.42
		<u>14,037.42</u>
<b>Note 11</b>	<b><u>Other Income</u></b>	
	Equipment Income	18,205.97
	FUTA Tax Refund	5.99
		<u>18,211.96</u>
<b>Note 12</b>	<b><u>Salaries</u></b>	
	Chief Deputy Liquidator Salary (Includes \$306.02 incurred on behalf of ADIC, \$66.09 on behalf of OGIC, and \$68.41 on behalf of PPC.)	29,249.54 *
	Deputy Liquidator Salaries	62,340.69
	Employee Salaries	436,651.93
		<u>528,242.16</u>
	* In 12/07 OGIC remitted \$7,625.38 to Credit General to cover pre-paid operating expenses.	
	* In 12/08 ADIC remitted \$5,000 to Credit General to cover pre-paid salary expenses.	
	* In 12/08 PPC remitted \$6,330.20 to Credit General to cover pre-paid salary expenses.	
<b>Note 13</b>	<b><u>Employee Benefits</u></b>	
	Salaries 401K Employer Contribution	12,122.53
	Employee Insurance Benefits	42,966.95
	Employee Related Expenses - Other	7,443.29
		<u>62,532.77</u>

**Note 14 Payroll & Other Taxes**

Workers Compensation Insurance	1,641.12
State Unemployment Tax	23.21
Federal Unemployment Tax	4.35
FICA Tax	32,394.11
	<u>34,062.79</u>

**Note 15 Legal Fees**

**Attorney General Contracted Legal Fees**

Dinsmore & Shohl LLP	577.50
Carlie Patchen & Murphy (Incurred on behalf of B&C)	157.50 *
Kegler Brown Hill & Ritter	16,775.50
Tribler Orpett & Meyer PC	49,348.00
Subtotal Attorney General Contracted Legal Fees	<u>66,858.50</u>

\* In 6/08 B&C remitted \$425.54 in pre-paid legal fees and expenses.

**Attorney General Contracted Legal Expenses**

Dinsmore & Shohl LLP	2.52
Kegler Brown Hill & Ritter	682.32
Tribler Orpett & Meyer PC	1,615.95
Subtotal Attorney General Contracted Legal Expenses	<u>2,300.79</u>

**Total Attorney General/Non-Attorney General Contracted Legal Fees and Expenses**

69,159.29

**Note 16 Consulting Fees and Other Outside Contracts**

ADP - Payroll Processing	1,177.26
Centracom - IT Consultant	262.80
Kathleen McCain - Consultant	135,686.25
LS Consulting LLC - Accounting Consultants	172,618.20
Litigation Consultant	79,805.43
Madison Consulting Group - Actuarial Consultants	36,164.72
Paragon Reinsurance Risk - Reinsurance Consultant	186,522.07
Rasp Consulting - IT Consultant	10,609.80
	<u>622,846.53</u>

**Note 17 Tax Preparation and Audit Fees**

Schneider Downs & Co., Inc. - Tax and Audit Fees - CGIC	10,768.78
Schneider Downs & Co., Inc. - Tax and Audit Fees - COL Portion	3,810.00 *
Schneider Downs & Co., Inc. - Tax and Audit Fees - PPC Portion	3,636.00 *
Subtotal Tax and Audit Fees	<u>18,214.78</u>

**Tax and Audit Expenses**

Schneider Downs & Co., Inc. - Tax and Audit Expenses - CGIC	48.45
Schneider Downs & Co., Inc. - Tax and Audit Expenses - COL Portion	6.00 *
Subtotal Tax and Audit Expenses	<u>54.45</u>

**Total Tax and Audit Fees and Expenses**

18,269.23

\* In 12/08 PPC remitted \$8,384.99 in prepaid Audit, Tax and Prompt Assessment Fees, and Colonial remitted \$16,925 in pre-paid Audit, Tax and Prompt Assessment fees.

**Note 18 Rent & Rent Items**

Rent on Leased Properties (Includes \$2,161.91 incurred on behalf of ADIC, \$42.70 incurred on behalf of B&C, \$85.40 incurred on behalf of COL, \$1,110.20 incurred on behalf of OGIC, and \$3,922.12 incurred on behalf of PPC.)	91,932.15 *
Rent -Other	54.54
Trash and Recycling	332.24
Utilities - Gas/Electric	572.10
Janitorial Service	152.01
Furniture Fixture & Equipment Rent	4,241.29
	<u>97,284.33</u>

\*ADIC paid CGIC \$89,498.36 in prepaid Rent/Storage and Destruction expenses in 12/08, PPC paid CGIC \$45,309.98 in 12/08, OGIC paid \$9,000 in prepaid Rent/Storage and Destruction expenses in 12/07, in 12/08 Colonial remitted \$1,842.90 in prepaid General Operating Expenses, and in 6/08 B&C remitted \$5,307.69 in prepaid Rent on Leased Properties (Includes Storage and Destruction of Records).

**Note 19 Maintenance/Repair Facility & FF&E**

Electrolux	21.13
Gordon Flesch Co Inc	992.43
	<u>1,013.56</u>

**Note 20 Travel & Travel Items**

Travel & Accommodation (Includes \$15.30 incurred on behalf of PPC.)	4,191.11 *
Meals	429.62
	<u>4,620.73</u>

\* In 12/08 PPC remitted \$3,359.60 to CGIC for prepaid Operating Expenses.

**Note 21 Postage, Freight, Internet, and Telephone**

Postage (Includes \$20.83 in postage expenses incurred on behalf of COL and \$7.27 in postage expenses in curred on behalf of PPC.)	719.86 *
Express & Freight	685.22
Telephone and Fax	1,386.08
Internet	1,452.39
	<u>4,243.55</u>

\* In 12/08, Colonial remitted \$1,842.90 to CGIC in pre-paid General Operating Expenses, and PPC remitted \$3,359.60 to CGIC in pre-paid General Operating Expenses.

**Note 22 Office Supply Expense**

Office Expense	1,279.35
	<u>1,279.35</u>

**Note 23 Data Processing**

Computer Maintenance	545.64
Computer Supplies	410.37
Computer Software Lease	12,376.26
	<u>13,332.27</u>

**Note 24 Banking and Investment Expense**

Banking and Investment Expense	3,944.61
	<u>3,944.61</u>

**Note 25 Warehouse Consolidation Project Expenses\***

Liquidation Employees Travel Expense - Mileage Reimbursement (Various Employees)	298.36
Storage - FRC Storage Fees CGIC	10,821.49
Storage - FRC Storage Fees ADIC	864.68 *
Storage - FRC Storage Fees B&C	115.83 *
Storage - FRC Storage Fees PPC	1,537.20 *
Storage - FRC Storage Fees COL	34.16 *
Storage - FRC Storage Fees OGIC	444.08 *
FRC Pack & Pickup Expense - ADIC	383.35 *
FRC Pack & Pickup Expense - CGIC	18,265.50
FRC Pack & Pickup Expense - COL	98.75 *
FRC Pack & Pickup Expense - OGIC	122.95 *
FRC Pack & Pickup Expense - PPC	110.85 *
Maintenance and Repair - G. Williamson - Painting/Carpet Cleaning Services	8,590.93
Maintenance and Repair - G. Williamson - Refund for Painting/Carpet Cleaning Services	(3,693.77)
Office Supplies - Boxes, Cleaning Supplies & Light bulbs	1,825.43
S&T Commercial Cleaning Inc. - Final Move-Out Cleaning	48.05
Trash & Recycling Expenses (Includes Republic Waste Exp.)	188.70
Moving Truck Rental	97.03
Kathleen McCain - Relocation to Liquidation Office	756.00
LS Consulting LLC - Relocation to Liquidation Office	8,344.80
Moving Expense (Gordon Flesch and Pan L Tech)	802.92
Temporary Help	8,166.37
	<b>58,223.66</b>

\* ADIC paid CGIC \$89,498.36 in prepaid Rent/Storage and Destruction Costs in 12/08, PPC paid CGIC \$45,309.98 for Rent/Storage and Destruction Costs in 12/08. OGIC Paid CGIC \$9,000.00 in 12/07 for Rent/Storage & Destruction Costs. In 12/08 Colonial remitted \$1,842.90 to CGIC for General Operating Expenses, and in 6/08 B&C paid \$5,307.69 in prepaid Rent/Storage & Destruction Cost.

\* To reduce administrative expenses and conserve estate assets for the benefit of policyholders and claimants, the Liquidator elected not to renew at 6/30/2009 three (3) warehouse leases. Rather, the Liquidator repaired and re-shelved the one (1) remaining warehouse to hold records required for the ongoing administration of the liquidation proceedings. Simultaneously, the Liquidator undertook a review of all records stored in the four (4) warehouses to determine which records of the insolvent companies should be retained for future reference, which should be placed in offsite storage, and which were no longer useful. Pursuant to R.C. 3903.48, the Liquidator sought court orders from the courts supervising the liquidation proceedings to destroy records that were determined to be no longer useful. The Liquidator also moved approximately 100,000 boxes of records to Fireproof Records Center to be held until such time as they may be destroyed pursuant to records destruction schedules approved by the courts. The Liquidator estimates that the results of this warehouse consolidation will reduce overhead expenses attributable to the closed warehouse by approx. \$169,000/year and achieve more expeditious closing of an estate.

Credit General Insurance Company, in Liquidation  
 Liquidation Date: January 5, 2001  
 Notes to Statement of Cash Receipts and Disbursements  
 Cumulative From 7/1/09 to 12/31/09

**Note 26 Other Expenses**

Computer Hardware and Software Costs with Maintenance Support Agreement	35,102.52
Collection Agency Fees - Premiums and Unearned Commissions	28,776.97
Training & Seminars	13.14
Professional and D&O/EPLIC Liability Insurance	21,617.63
Registration and Dues	141.31
Storage Retrieval	760.57
Furniture & Equipment - Non Capitalized Purchases	442.27
Books & Periodicals	106.94
Contract Printing	2,530.87
	<u>89,492.22</u>

**Note 27 Encumbered Cash Accounts (Cumulative)**

**Cash Collateral:**

Reliance Insurance Collateral Account - Subrogation Recoveries	17,866.00
Reliance Insurance Collateral Account - Bonds Issued	16,491.03
Unified Staffing & Associates LOC Drawdown	29,654.97
Distribution Services LOC Drawdown	16,932.49
F.A.C.E Associates Inc. - Unused Bond Funds received 6/2/08	5,233.49
Mutual Indemnity (Bermuda) Ltd.-LOC # 7405139	1,894,170.80

**Total in Cash Collateral Account**

**1,980,348.78**

**TTC Cash Collateral**

**1,237,097.90**

**Oregon Special Deposits Proceeds**

**310,094.31**

**3,527,540.99**