

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, 2010 through December 31, 2010 (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.

As reported previously, in the first half of 2010, the Liquidator secured the recovery of \$23.7 million in reinsurance outside of litigation. In the second half of 2010, the Liquidator secured the unprecedented recovery of an additional \$58 million in reinsurance in one periodic accounting cycle. This recovery represents 50% of all reinsurance recoveries in the estate, and contributed to the increase in consultant fees since the last report. However, these fees were less than 2.2% of the reinsurance recovered in this period.

As reported previously, 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. 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. While the Liquidator's outside consulting fees increased in the second half of 2010, the legal fees were 85% less than the prior period because the Liquidator recovered the reinsurance through mediation of the Hancock and Monumental litigation and through pre-litigation settlements with other reinsurers. The reported consulting fees include both time and expenses associated with work performed to achieve the Monumental, Pan Am, Gen Re and John Hancock reinsurance settlements, and the fees due Paragon Reinsurance Strategic Solutions, now known as Inpoint Services, in regard to the reinsurance collections¹.

In the second half of 2010, the Liquidator made distributions to guaranty associations on their allowed Class 1 claims as of December 31, 2009 in the Credit General Insurance Company liquidation, totaling \$24,832,488.31. As of December 31, 2009, the guaranty associations have collectively paid and claimed almost \$286 million in the Credit General Insurance Company and \$61 million in Credit General Indemnity Company for loss claims and allocated loss adjustment expenses (LAE). The IGAs will continue to incur millions of dollars in policyholder claims liabilities because there is no cap on their obligations to pay covered workers' compensation claims insured by Credit General. As a group, the guaranty associations represent the largest creditor of the Credit General liquidation.

¹ Paragon/Inpoint was paid \$763,522.96 in the second half of 2010. Paragon/Inpoint handles the Credit General reinsurance billings and collections, and its arrangement is that it was paid on an hourly basis and based upon a percentage of the recoveries. The arrangement was restructured in 2009 with a cap on the recoveries subject to the percentage fee, which has now been reached.

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, 2010 through December 31, 2010, as set forth in the attached Exhibit A.

Respectfully submitted,

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General Insurance Company*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Motion was emailed to the persons on the attached CGIC Courtesy Copy E-Mail List and served upon the following via Regular Mail, postage prepaid, on this 28th day of February, 2011:

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EXHIBIT A
Credit General Insurance Company
July 1, 2010 through December 31, 2010

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, 2010

	Current Period 7/1/2010 TO 12/31/2010	Year to Date TO 12/31/2010	Cumulative From 1/5/2001
Beginning Cash & Invested Assets (Note 1)	76,185,333.91	53,900,237.14	18,679,219.65
Receipts:			
Interest Income (Note 2)	187,196.62	370,836.84	8,726,482.49
Premiums Collected (Note 3)	6,000.00	23,900.00	21,271,121.85
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)	58,211,338.62	81,983,176.04	114,785,581.04
Salvage & Subrogation (Note 5)	300.00	2,094.00	4,256,951.99
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	10,585,562.46
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	1,788.90
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)	40,000.00	40,000.00	11,783,725.80
Proceeds from the Sale of Assets	0.00	826.34	119,339.79
Refund of Premium Taxes & Assessments	0.00	8,566.00	247,588.73
Refund of General Operating Expenses	0.00	0.00	21,795.67
Proceeds from Closed Accounts	0.00	166.28	287,204.37
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	76,256.04
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	376,677.20
Recovery from LOC Drawdowns	0.00	0.00	2,195,789.89
Recovery of Preference Payments	0.00	0.00	2,509,427.67
Recovery of Unearned Commissions	0.00	0.00	1,177,050.71
Recoveries Under High Deductible Policies (Note 8)	20,230.21	297,717.31	2,184,392.93
Transfer of Funds from CGIC/Cash Collateral to CGIC Operating (Note 7)	69,290.60	69,290.60	86,707.62
Other income (Note 9)	26,407.08	50,956.98	240,083.04
Total Receipts	58,580,763.13	82,845,531.17	194,079,327.48

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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, 2010

	Current Period 7/1/2010 TO 12/31/2010	Year to Date TO 12/31/2010	Cumulative From 1/5/2001
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	0.00	350,973.90
Transfer of PRS Portion of IRS Tax Refund	0.00	0.00	4,815,787.07
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 Indemnity	0.00	0.00	0.00
Transfer of Funds to CGIC Cash Collateral	0.00	0.00	1,928,791.85
Reinsurance Ceded-AmTrust	0.00	0.00	2,326,066.04
Transfer of Net Proceeds from Closure of ADIC to OGICO	0.00	0.00	2,250.00
 Release of First General Ins Co (MetLife) Funds Held per Reinsurance Agreement	 0.00	 0.00	 10,081.02
Compensation			
Salaries (Note 10)	577,268.53	1,119,027.36	14,365,251.87
Employee Benefits (Note 11)	83,810.07	127,961.59	1,326,869.82
Payroll & Other Taxes (Note 12)	28,903.89	81,629.51	912,739.06
Professional Fees			
Legal Fees (Note 13)	49,932.55	410,321.11	18,948,540.89
Consulting Fees and Other Outside Contracts (Note 14)	1,241,388.20	2,187,818.45	31,882,883.50
Ohio Dept of Insurance-Examiner Fees	0.00	0.00	172,035.72
Tax Preparation and Audit Fees (Note 15)	15,587.44	(7,304.41)	343,789.35
Other Expenses of Administration of Company and its Property:			
Rent & Rent Items (Note 16)	170,094.55	163,857.36	2,207,264.75
Maintenance/Repair Facility & FF&E (Note 17)	1,323.91	973.69	163,292.66
Travel & Travel Items (Note 18)	4,448.47	9,998.96	796,727.59
Postage, Freight, Internet, and Telephone (Note 19)	9,398.79	12,522.45	459,885.89
Office Supply Expense (Note 20)	1,414.33	(2,590.79)	130,472.84
Data Processing (Note 21)	10,072.61	35,022.87	416,238.91
Draft Clearing - Cleared Commercial Claims Checks	0.00	0.00	497,058.52
Security Deposit Expense	0.00	0.00	1,733.34
Banking and Investment Expense (Note 22)	3,897.33	4,382.59	79,420.45
Commissions and Brokers Direct	0.00	0.00	298,437.18
Third Party Administrators	0.00	0.00	1,181.83
Return of Funds Received in Error	0.00	0.00	409,829.57
Settlement Expense (Note 23)	3,100,000.00	3,100,000.00	3,285,657.16
Warehouse Consolidation Project Expenses	0.00	0.00	92,016.28
Moving and Relocation Expense	0.00	0.00	149,292.12
Other Expenses (Note 24)	41,181.67	136,354.76	3,024,432.54
All Other Disbursements:			
Net Purchases (Proceeds) in Ancillary Security Deposits	0.00	0.00	287,983.02
Interim Distribution to Insurance Guaranty Associations (Note 25)	24,832,488.31	24,832,488.31	24,832,488.31
Total Disbursements	30,170,950.65	32,172,480.80	113,098,551.76
 Net Decrease in Impaired Assets	 0.00	 0.00	 (662,235.91)
Increase in Encumbered Cash Accounts (Note 26)	(87,613.84)	(66,460.87)	3,461,080.32
Recovery of Special Deposits	0.00	0.00	2,446,123.55
Security Amortization for the Period	697.28	1,383.19	(396,733.61)
 Ending Cash & Invested Assets (Note 1)	 104,508,230.03	 104,508,230.03	 104,508,230.03

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, 2010 THROUGH DECEMBER 31, 2010**

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 07/01/10	81,258,611.37
Net Increase in Cash and Invested Assets (Unencumbered)	28,390,509.76
Net Decrease in Cash and Invested Assets (Encumbered)	(67,613.64)
Net Increase in Non Cash Assets (Encumbered)	<u>147.89</u>
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/10	<u><u>109,581,655.38</u></u>

Unencumbered Cash & Invested Assets

Note 1 Cash and Invested Assets

Unencumbered Cash & Invested Assets

	Ending Balance 6/30/2010	Ending Balance 12/31/2010
Cash	329,271.42	112,060.47
Money Market Funds	38,229,100.30	68,836,123.79
Bonds at Amortized Value	34,098,266.17	34,098,965.45
Taxcut Notch-Other Structured Securities	0.00	0.00
Common Stock	0.00	0.00
Short Term Investments	0.00	0.00

Total Unencumbered Cash & Invested Assets

72,658,639.96 101,047,149.71

Encumbered Cash Assets

3,628,693.98 3,481,080.32

Total Cash & Invested Assets (Note 1)

76,287,333.91 104,528,230.03

Encumbered Non Cash Assets:

Statutory Deposits (A)

6,073,277.48 6,073,428.38

Total Cash and Invested Assets and Non Cash Assets

81,258,911.37 109,581,558.38

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	Case # Description	Where Deposited	PAR Value (6/30/10)	PAR Value (12/31/10)
ID	91282814D5	Wells Fargo	285,000.00	285,000.00
ID	CLIA013068 - Matured Proceeds - Returned to Liquidator	Wells Fargo	-	-
GA	Money Market - Matured Proceeds	Wachovia Bank, N.A.	43,265.94	43,201.37
GA	912827588-Matured Proceeds	Wachovia Bank, N.A.	60,000.00	60,000.00
GA	912828585-Matured Proceeds	Wachovia Bank, N.A.	40,000.00	40,000.00
MA	912828DU3-Matured Proceeds (not replaced as of 12/31/10)	State Street Bank	340,000.00	340,000.00
MA	912828CF5-Matured Proceeds (not replaced as of 12/31/10)	State Street Bank	100,000.00	100,000.00
MA	912828DN7-Matured Proceeds (not replaced as of 12/31/10)	State Street Bank	750,000.00	750,000.00
AR	912828CE8 - Matured Proceeds (not replaced as of 12/31/10)	Bank of America	510,000.00	510,000.00
DOL	912828MM9 (Formerly 912828HF0)	Federal Reserve Bank	820,000.00	820,000.00
DOL	912828MM9 (Formerly 912828HF0)	Federal Reserve Bank	200,000.00	200,000.00
MA	912828EF3-Matured Proceeds (not replaced as of 12/31/10)	State Street Bank	500,000.00	500,000.00
MA	912828EP1-Matured Proceeds (not replaced as of 12/31/10)	State Street Bank	420,000.00	420,000.00
LA	912828KH2	Herberts Trust	70,000.00	70,000.00
MA	575827ELO-Matured Proceeds (not replaced as of 12/31/10)	State Street Bank	755,000.00	755,000.00
ME	912828HD5	Key Trust Co./ McDonalds Invest.	200,011.52	200,223.98
CA	CD - Matured Proceeds	Bank of America	-	B
CA	CD - Matured Proceeds	Bank of America	-	B
FL	341422JT1 - Matured Proceeds	First Union Nat'l. Bank	-	B
FL	912827W85 - Matured Proceeds	First Union Nat'l. Bank	-	B
NC	Money Market - Matured Proceeds	Wachovia Bank, N.A.	-	B
AZ	912827V86 - Matured Proceeds	BNY Western Trust Co.	-	B
AZ	912827ZG8 - Matured Proceeds	BNY Western Trust Co.	-	B
NM	Money Market - Matured Proceeds	The Bank of Santa Fe Trust	-	B
NM	Money Market - Matured Proceeds	The Bank of Santa Fe Trust	-	B
VA	021827V86 - Matured Proceeds	SunTrust	-	B
VA	912827L83 - Matured Proceeds	SunTrust	-	B
OR	912827ZG8 - Matured Proceeds	US National Bank	-	C
NM	912827L83 - Matured Proceeds	The Bank of Santa Fe Trust	-	B
CA	879087AG1 - Matured Proceeds	Bank One	-	B
DE	Money Market - Matured Proceeds	Mellon Bank	-	B
SC	912827L83 - Matured Proceeds	Wachovia Bank, N.A.	-	C
NV	912828CD0 (Formerly 912828AL4)	National City Bank	-	D
SC	912828AD8 - Matured Proceeds	Wachovia Bank, N.A.	-	C
MI	912827V86 - Matured Proceeds	Bank One, Michigan	-	C
			<u>6,073,277.48</u>	<u>6,073,428.38</u>

Note D In April of 2009 an 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 \$800,000 security deposit. On 6/13/05, \$348,945.94 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 \$288,080 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.

Note 2	<u>Interest Income</u>	
	Interest on Bonds	170,500.00
	Interest on Bonds Held as Statutory Deposit	4,405.88
	Int Paid on CGIN Reinsurance Recoverables	(1,148.67) *
	Interest on JPM Chase MMF	13,437.43
		<u>187,196.62</u>

* In May of 2008 Reinsurance consultants began billing Credit General Insurance and Credit General Indemnity on a 90% / 10% split for fees and expenses. As a result reinsurance recoveries from the period of May 2008 to present are to be split on a 90% / 10% basis (in most cases). Due to research on the receipts, the 10% split and transfer to CGIN will not always occur at the time CGIC receives the reinsurance receipt. When this happens interest that CGIN would have earned on the recovery is calculated and included in the payment to CGIN.

Note 3	<u>Premiums Collected</u>	
	Receipt of Uncollected Premium	6,000.00
		<u>6,000.00</u>
	AXA RE - Commutation	(9,000.00) *
	Clarendon National - Commutation	(1,583,249.80) *
	Federal Insurance/ALL Reins.	(28,183.15) *
	General Reinsurance/National Reinsurance Corp. - Commutation Payment	6,537,296.99 *
	Heffernan Peterson	(5,152.50) *
	Hurat Holmes/ISG - LOC# 250517 Drawdown	202,178.07 *
	Hurat Holmes	(1,183.08) *
	Houston/Lloyds - Commutation	(80,000.01) *
	John Hancock - Commutation Settlement	38,700,000.00 *
	LDG Reinsurance - Commutation Payment	90,767.70 *
	Lloyds Commutation	(183,988.00) *
	Monumental Life Insurance - Commutation Payment	7,560,000.00 *
	Munich American Reinsurance - Commutation	(68,000.00) *
	Par American Insurance Co. - Commutation Payment	3,235,193.05 *
	Reliastar Life Insurance Co	3,021,167.15 *
	Sydney Reinsurance (QBE)	903.84 *
	Odyssey Reinsurance	5,618.45 *
	PMA Reinsurance	5,144.51 *
	Signal Star Reinsurance	3,195.80 *
	WCRA Reinsurance	16,907.81 *
	Westport/Employers Reinsurance - Commutation Payment	750,000.00 *
		<u>88,211,338.62</u>

* In May of 2008 Reinsurance consultants began billing Credit General Insurance and Credit General Indemnity on a 90% / 10% split for fees and expenses. As a result reinsurance recoveries from the period of May 2008 to present are to be split on a 90% / 10% basis (in most cases). The amounts listed above are net of the monies transferred to the CGIN estate. Some of the balances are negative due to the receipt being received by CGIC in a prior reporting period and paid out in the current reporting period.

Note 5	<u>Salvage & Subrogation</u>	
	Salvage & Subrogation	300.00
		<u>300.00</u>

Note 6	<u>Recovery from Settlement Agreements</u>	
	City of Pepper Pike	40,000.00
		<u>40,000.00</u>

Note 7	<u>Transfer of Funds from CGIC Cash Collateral to CGIC Operating</u>	
	F.A.C.E. Associates Inc. - Payment of Losses	5,238.91
	Reliance Insurance-Bonds Issued - Release of Collateral due to Settlement w/ Reliance	16,501.77
	Reliance Insurance-Subrogation Recoveries - Release of Collateral due to Settlement w/ Reliance	17,877.84
	Unified Staffing and Associates - LOC # 912120 - LOC - Re issue to LO as related to TIG Business	29,874.28
		<u>69,292.80</u>

Note 8	<u>Recovery Under High Deductible Policies</u>	
	CSI ServiceMaster Company	20,230.21
		<u>20,230.21</u>

Note 9	<u>Other Income</u>	
	Equipment Income	19,957.13
	Return of Pre-Liquidation Unused Retainer - Dettelbach Sicherman & Baumgart	6,449.95
		<u>26,407.08</u>

Note 10	Salaries	
	Chief Deputy Liquidator Salary	55,074.63
	Deputy Liquidator Salaries	84,120.48
	Employee Salaries	438,083.42
		<u>577,268.53</u>

Note 11	Employee Benefits	
	Salaries 401K Employer Contribution	14,225.76
	Employee Insurance Benefits	60,920.61
	Employee Related Expenses - Other	8,451.07
	Health Plan Expense	12.63
		<u>83,610.07</u>

*This amount may have fluctuated over the last period due to changes in COBRA mandated by The American Recovery and Reinvestment Act of 2009, which reduced the cost of the COBRA health insurance premium remitted by eligible former employees. The reduced cost of COBRA results in an initial higher payment of COBRA premiums by the employer, subject to a later credit on their payroll FICA tax.

Note 12	Payroll & Other Taxes	
	Workers Compensation Insurance	594.96
	State Unemployment Tax	8.32
	FICA Tax	28,300.51
		<u>28,903.89</u>

*This amount may have fluctuated over the last period due to changes in COBRA mandated by The American Recovery and Reinvestment Act of 2009, which reduced the cost of the COBRA health insurance premium remitted by eligible former employees. The reduced cost of COBRA results in an initial higher payment of COBRA premiums by the employer, subject to a later credit on their payroll FICA tax.

Note 13	Legal Fees	
	Attorney General Legal Fees	
	Carlee Patchen & Murphy LLP	334.03
	Coffee Hater and Griswold	8,942.50
	Kegler Brown Hill & Ritter	3,803.50
	Tribler Orpett & Meyer PC	35,000.00
	Subtotal Attorney General Legal Fees	<u>47,880.03</u>
	Attorney General Legal Expenses	
	Coffee Hater & Griswold	1,531.59
	Kegler Brown Hill & Ritter	285.95
	Tribler Orpett & Meyer PC	234.98
	Subtotal Attorney General Legal Expenses	<u>2,052.52</u>
	Total Attorney General Legal Fees and Expenses	<u>49,932.55</u>

Note 14	Consulting Fees and Other Outside Contracts	
	ADP - Payroll Processing	1,575.65
	Kathleen McCain - Consultant	123,830.00
	LS Consulting LLC - Accounting Consultants	257,980.25
	Madison Consulting Group - Actuarial Consultants	21,805.55
	Paragon Reinsurance Risk (NKA: Inpoint) - Reinsurance Consultant	763,522.96
	Rasp Consulting - IT Consultant	14,489.50
	Litigation Consultants	68,284.29
		<u>1,241,388.20</u>

Note 15	Tax Preparation and Audit Fees	
	Schneider Downs & Co., Inc. - Tax and Audit Fees	15,564.44
	Subtotal Tax and Audit Fees	<u>15,564.44</u>
	Tax Preparation and Audit Expenses	
	Schneider Downs & Co., Inc. - Tax and Audit Expenses	23.00
	Subtotal Tax Preparation and Audit Expenses	<u>23.00</u>
	Total Tax Preparation and Audit Fees and Expenses	<u>15,587.44</u>

Note 16	Rent & Rent Items	
	Rent on Leased Properties	183,888.02
	Rent -Other	82.12
	Trash and Recycling	444.37
	Furniture Fixture & Equipment Rent	5,882.04
		<u>170,094.55</u>

Note 17	<u>Maintenance/Repair Facility & FF&E</u> Gordon Fleach Co Inc Columbus Time Recorder	1,280.59 43.32 <hr/> 1,323.91
Note 18	<u>Travel & Travel Items</u> Travel & Accommodation Meals	3,946.50 501.97 <hr/> 4,448.47
Note 19	<u>Postage, Freight, Internet, and Telephone</u> Postage Express & Freight Telephone and Fax Internet	2,565.84 1,738.41 2,198.43 2,898.11 <hr/> 8,398.79
Note 20	<u>Office Supply Expense</u> Office Expense	1,414.33 <hr/> 1,414.33
Note 21	<u>Data Processing</u> Computer Supplies Computer Software Lease Software Expense-Purchase/Maintenance	482.51 8,250.84 1,339.26 <hr/> 10,072.61
Note 22	<u>Banking and Investment Expense</u> Banking and Investment Expense	3,897.33 <hr/> 3,897.33
Note 23	<u>Settlement - Return Property - Reliance Insurance Co.</u> Settlement with Reliance Insurance Co. Return of funds belonging to Reliance	3,100,000.00 <hr/> 3,100,000.00
Note 24	<u>Other Expenses</u> Collection Agency Fees - Preluma and Unearned Commissions Training & Seminars Insurance - Building Liability Professional and D&O/EPLIC Liability Insurance Registration & Dues Storage Retrieval Furniture & Equipment - Non Capitalized Purchases Books & Periodicals Court Cost - Production of Documents Court Cost - Dissolution Fees	13,791.63 222.20 (144.13) 26,330.55 53.04 278.00 173.68 134.03 212.03 100.00 <hr/> 41,181.67
Note 25	<u>Interim Distribution to Insurance Guaranty Associations</u> Early Access - Class 1 Distribution	24,832,488.31 <hr/> 24,832,488.31
Note 26	<u>Encumbered Cash Accounts (Cumulative)</u> Cash Collateral: Distribution Services LOC Drawdown Mutual Indemnity (Bermuda) Ltd.-LOC # 7405139	18,946.14 1,885,696.10 <hr/>
	Total in Cash Collateral Account	1,912,642.24
	TTC Cash Collateral Oregon Special Deposits Proceeds	1,238,094.16 310,343.93 <hr/> 3,461,080.32

