

MEMORANDUM IN SUPPORT

Through her motion, the Liquidator requests that this Court approve Credit General Insurance Company' ("CGIC") Statement of Receipts and Disbursements of the Liquidator for the period of July 1, 2011 through December 31, 2011 (the "Statement"). The Statement is described and set forth in the attached Exhibit A.

Through the Court's January 5, 2001 Order, this Court appointed the Ohio Superintendent of Insurance the Liquidator of CGIC and empowered, authorized and directed her to liquidate all of the property and assets of CGIC in accordance with the laws of Ohio. The Court additionally kept continuing jurisdiction. Pursuant to the Orders of Liquidation and Ohio Revised Code Chapter 3903, the Liquidator has undertaken to collect all debts and moneys due to CGIC, and make payment of necessary expenses. The Liquidation Order and 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.

R.C. 3903.42(A) 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. The accounting is to be in the form as is attached 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 to this Court, since 2008, the Liquidator has made changes in many areas aimed at preserving and utilizing estate assets for the benefit of the estate's creditors by 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 by investigating ways to improve

efficiencies in the liquidation process and implementing procedures that are aimed at conserving estate assets for timely distributions to policyholders and creditors.

For the reasons outlined, the Liquidator respectfully requests the Court approve CGIC's Statement of Receipts and Disbursements of the Liquidator for the periods of July 1, 2011 through December 31, 2011, as set forth in the attached Exhibit A.

Respectfully submitted,

MIKE DEWINE
Attorney General of Ohio

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

CERTIFICATE OF SERVICE

The undersigned 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 7th day of May, 2012:

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Dallas, TX 75381-9045

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Annapolis Consulting Group LLC
2530 Riva Road, Suite 308
Annapolis, MD 21402
PRS Trustee

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/s/ Valoria C. Hoover
Valoria C. Hoover (0059596)

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EXHIBIT A
Credit General Insurance Company
July 1, 2011 through December 31, 2011

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, 2011

| | Current Period 7/1/2011 TO 12/31/2011 | Year to Date TO 12/31/2011 | Cumulative From 1/5/2001 |
|---|--|-------------------------------------|--------------------------------|
| Beginning Cash & Invested Assets (Note 1) | 104,129,814.13 | 104,508,230.03 | 18,679,219.65 |
| Receipts: | | | |
| Interest Income (Note 2) | 224,503.96 | 515,782.04 | 9,244,264.53 |
| Premiums Collected | 0.00 | 1,100.00 | 21,272,221.85 |
| Recovery of Statutory Deposit | 0.00 | 160,676.01 | 870,651.38 |
| Production of Document Income | 0.00 | 0.00 | 350.25 |
| Reinsurance Recoveries (Note 3) | 358,008.51 | 502,343.24 | 115,287,904.28 |
| Salvage & Subrogation | 0.00 | 2,274.80 | 4,259,226.79 |
| 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 | 10,665,662.46 |
| 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 | 775,173.50 |
| Insurance Recovery-Theft of Computers/Equipment | 0.00 | 0.00 | 1,972.33 |
| Recoveries from Settlement Agreements | 0.00 | 0.00 | 11,783,725.80 |
| Proceeds from the Sale of Assets | 0.00 | 234.77 | 119,574.56 |
| Refund of Premium Taxes & Assessments (Note 4) | 85.09 | 85.09 | 247,673.82 |
| Refund of General Operating Expenses | 0.00 | 0.00 | 21,795.57 |
| Proceeds from Closed Accounts | 0.00 | 538.71 | 287,743.08 |
| 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 | 0.00 | 0.00 | 1,177,050.71 |
| Recoveries Under High Deductible Policies (Note 6) | 138,846.39 | 186,856.05 | 2,371,248.98 |
| Transfer of Funds from CGIC/Cash Collateral to CGIC Operating (Note 5) | 1,897,837.93 | 1,897,837.93 | 1,984,545.75 |
| Other Income (Note 7) | 13,880.77 | 28,936.66 | 269,019.70 |
| Total Receipts | 2,631,162.65 | 3,296,665.30 | 197,375,992.78 |

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, 2011

| | Current Period 7/1/2011 TO 12/31/2011 | Year to Date TO 12/31/2011 | 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 | 4,615,787.07 |
| 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 | 0.00 | 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 | 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 8) | 515,849.07 | 983,955.41 | 15,349,207.28 |
| Employee Benefits (Note 9) | 96,102.27 | 196,826.72 | 1,523,696.54 |
| Payroll & Other Taxes (Note 10) | 38,467.98 | 73,358.96 | 986,098.02 |
| Professional Fees | | | |
| Legal Fees (Note 11) | 20,773.41 | 39,997.34 | 16,988,638.23 |
| Consulting Fees and Other Outside Contracts (Note 12) | 95,790.64 | 283,435.46 | 32,166,318.96 |
| Ohio Dept of Insurance-Examiner Fees | 0.00 | 0.00 | 172,035.72 |
| Tax Preparation and Audit Fees (Note 13) | 7,600.00 | 15,652.54 | 359,410.89 |
| Other Expenses of Administration of Company and Its Property: | | | |
| Rent & Rent Items (Note 14) | 176,749.34 | 345,880.51 | 2,553,145.26 |
| Maintenance/Repair Facility & FF&E (Note 15) | 931.70 | 3,699.38 | 166,991.94 |
| Travel & Travel Items (Note 16) | 1,982.91 | 3,768.78 | 800,496.37 |
| Postage, Freight, Internet, and Telephone (Note 17) | 8,074.49 | 15,389.42 | 475,075.11 |
| Office Supply Expense (Note 18) | 1,597.21 | 3,016.05 | 133,488.89 |
| Data Processing (Note 19) | 2,397.70 | 32,146.52 | 447,385.43 |
| 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 20) | 3,281.23 | 6,727.22 | 86,147.67 |
| 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 Return Property (Note 21) | 1,186,038.40 | 1,186,038.40 | 4,471,695.66 |
| 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 22) | 27,360.08 | 42,560.67 | 3,066,993.21 |
| All Other Disbursements: | | | |
| Net Purchases (Proceeds) in Ancillary Security Deposits | 0.00 | 0.00 | 267,963.02 |
| Interim Distribution to Insurance Guaranty Associations | 0.00 | 0.00 | 24,832,488.31 |
| Total Disbursements | 2,182,996.43 | 3,232,453.38 | 116,331,005.14 |
| Net Decrease in Impaired Assets | 0.00 | 0.00 | (662,235.91) |
| Increase (Decrease) in Encumbered Cash Accounts (Note 23) | (1,912,748.56) | (1,912,402.29) | 1,548,678.03 |
| Recovery of Special Deposits | 0.00 | 0.00 | 2,446,123.86 |
| Security Amortization for the Period | 13,988.99 | 19,181.12 | (377,552.49) |
| Ending Cash & Invested Assets (Note 1) | 102,679,220.78 | 102,679,220.78 | 102,679,220.78 |

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, 2011 THROUGH DECEMBER 31, 2011

SCHEDULE A

| | |
|--|------------------------------|
| Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 07/01/11 | 109,221,370.14 |
| Net Increase in Cash and Invested Assets (Unencumbered) | 462,155.21 |
| *Net Decrease in Cash and Invested Assets (Encumbered) | (1,912,748.56) |
| Net Decrease in Non Cash Assets (Encumbered) | <u>(848,242.44)</u> |
| Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/11 | <u>106,922,534.35</u> |

* Includes closing of CGIC Cash Collateral in the amount of \$1,912,837.93. See Notes to Statement of Cash Receipts and Disbursements, Note 23, for more detail.

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Credit General Insurance Company, In Liquidation
 Liquidation Date: January 5, 2011
 Notes to Statement of Cash Receipts and Disbursements
 Cumulative From 7/01/11 to 12/31/11

| Unencumbered Cash & Invested Assets | Ending Balance 6/30/2011 | Ending Balance 12/31/2011 |
|---|------------------------------|------------------------------|
| Nota 1 Cash and Invested Assets | | |
| Unencumbered Cash & Invested Assets | | |
| Cash | 130,456.19 | 10,220.50 |
| Petty Cash | 100.00 | 100.00 |
| Money Market Funds | 10,409,423.77 | 7,133,870.68 |
| Bonds at Amortized Value | 89,878,407.58 | 93,738,251.57 |
| Certificates of Deposit | <u>250,000.00</u> | <u>250,000.00</u> |
| Talcoff Notch-Other Structured Securities | 0.00 | 0.00 |
| Common Stock | 0.00 | 0.00 |
| Short Term Investments | <u>0.00</u> | <u>0.00</u> |
| Total Unencumbered Cash & Invested Assets | <u>100,668,387.54</u> | <u>101,130,542.75</u> |
| Encumbered Cash Assets | <u>3,461,428.69</u> | <u>1,545,678.03</u> |
| Total Cash & Invested Assets (Nota 1) | <u>104,129,816.13</u> | <u>102,579,220.78</u> |
| Encumbered Non Cash Assets: | | |
| Statutory Deposits (A) | <u>5,091,556.01</u> | <u>4,243,313.57</u> |
| Total Cash and Invested Assets and Non Cash Assets | <u>109,221,370.14</u> | <u>106,822,534.35</u> |

Nota 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 (08/30/11) | PAR Value (12/31/2011) | B/C |
|-------|--|---------------------------------|----------------------|------------------------|-----|
| ID | Money Market - Matured Proceeds | Wells Fargo | 15,000.00 | 15,000.00 | B/C |
| ID | CD A013068 - Matured Proceeds - Returned to Liquidator | Wells Fargo | - | - | |
| GA | Money Market - Matured Proceeds | Wachovia Bank, N.A. | 43,133.78 | 43,067.17 | |
| GA | 912827588-Matured Proceeds | Wachovia Bank, N.A. | 60,000.00 | 60,000.00 | |
| GA | 912828BE8-Matured Proceeds | Wachovia Bank, N.A. | 40,000.00 | 40,000.00 | |
| MA | 912828BU3-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 | - | B |
| DCL | 912828MM9 (Formerly 912828HF0) | Federal Reserve Bank | 820,000.00 | 820,000.00 | |
| DCL | 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 | |
| MA | 575827EL0-Matured Proceeds (not replaced as of 12/31/10) | State Street Bank | 755,000.00 | 755,000.00 | |
| ME | Money Market - Matured Proceeds | Key Trust Co./ McDonalds Invest | 200,236.35 | 200,248.40 | |
| CA | CD - Matured Proceeds | Bank of America | - | - | B |
| CA | CD - Matured Proceeds | Bank of America | - | - | B |
| FL | 341422JT1 - Matured Proceeds | First Union Natl. Bank | - | - | B |
| FL | 912827V65 - Matured Proceeds | First Union Natl. Bank | - | - | B |
| LA | 912828KH2 - Matured Proceeds | Hibernia Trust | - | - | B |
| NC | Money Market - Matured Proceeds | Wachovia Bank, N.A. | - | - | B |
| AZ | 912827V88 - Matured Proceeds | BNY Westam Trust Co. | - | - | B |
| AZ | 9128272G6 - Matured Proceeds | BNY Westam Trust Co. | - | - | B |
| NM | Money Market - Matured Proceeds | The Bank of Santa Fe Trust | 338,185.88 | - | B/E |
| VA | 921827V86 - Matured Proceeds | Sun Trust | - | - | B |
| VA | 912827L83 - Matured Proceeds | SunTrust | - | - | B |
| OR | 9128272G6 - Matured Proceeds | US National Bank | - | - | C |
| NM | 912827L83 - Matured Proceeds | The Bank of Santa Fe Trust | - | - | B |
| OK | 679087AG1 - 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 | 912828AB6 - Matured Proceeds | Wachovia Bank, N.A. | - | - | C |
| MI | 912827V86 - Matured Proceeds | Bank One, Michigan | - | - | C |
| | | | <u>5,091,556.01</u> | <u>4,243,313.57</u> | |

Nota B Since April of 2009, Ancillary Holdings reconciliations are 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.

Nota 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.

The Idaho P & C Insurance Guaranty Association submitted an accounting for the \$265,000 ancillary security deposit that was being held. On 6/8/11, \$160,676.01 was returned to the OH Liquidator. \$15,000 was held in trust by the Idaho State Treasurer's Office, and \$89,329.99 was used by ID to reimburse IGA Paid Losses, LAE and Administrative costs.

Nota 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.

Nota E The New Mexico IGA received these funds on 9/27/11, when the NM Department of Insurance officially turned over the funds to the NM IGA.

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Credit General Insurance Company, In Liquidation
 Liquidation Date: January 5, 2001
 Notes to Statement of Cash Receipts and Disbursements
 Cumulative From 7/01/11 to 12/31/11

| | | |
|---------------|---|-------------------|
| Note 2 | <u>Interest Income</u> | |
| | Interest on Bonds | 219,853.12 |
| | Interest Paid on Bonds | (307.37) |
| | Interest on Bonds Held as Statutory Deposit | 4,185.36 |
| | Interest on Certificates of Deposit | 226.04 |
| | Int Paid on CGIN Reinsurance Recoverables | (0.10) * |
| | Interest on JPM Chase MMF | 546.91 |
| | | <u>224,503.96</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 recovers 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>Reinsurance Recoveries</u> | |
| | US Bank - Reinsurance Trust - IN Lumbermans - Closed Account | 70,493.87 |
| | Phoenix Life - Commutation Settlement | (8,600.00) * |
| | Reliastar Life Insurance Co. | 271,951.40 * |
| | Sydney Reinsurance (QBE) | 207.87 * |
| | Odyssey Reinsurance | (12.87) * |
| | PMA Reinsurance | 379.17 * |
| | Signet Star Reinsurance | 620.57 * |
| | WCRA Reinsurance | 22,968.50 * |
| | | <u>358,008.51</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 4 | <u>Refund of Premium Taxes and Assessments</u> | |
| | #REF! | 85.09 |
| | | <u>85.09</u> |

| | | |
|---------------|---|---------------------|
| Note 5 | <u>Transfer of Funds from CGIC Cash Collateral to CGIC Operating</u> | |
| | Transfer of funds to operating - to return Mutual Indemnity's funds per Mutual Indemnity Settlement (See Note 21) | 1,186,038.40 |
| | Transfer of funds to operating - CGIC's portion of Mutual Indemnity Settlement | 709,852.11 |
| | Transfer of funds to operating - Closing of collateral funds to operating account | 1,947.42 |
| | | <u>1,897,837.93</u> |

| | | |
|---------------|--|-------------------|
| Note 6 | <u>Recovery Under High Deductible Policies</u> | |
| | CSI Servicemaster Company - Continental Casualty (CNA) | 125,000.00 |
| | Masterson Personnel Inc | 355.52 |
| | Farrow Amusement - J. Mike Williams | 11,490.87 |
| | | <u>136,846.39</u> |

| | | |
|---------------|----------------------------|------------------|
| Note 7 | <u>Other Income</u> | |
| | Equipment Income | 13,880.77 |
| | | <u>13,880.77</u> |

| | | |
|---------------|--------------------------------|-------------------|
| Note 8 | <u>Salaries</u> | |
| | Chief Deputy Liquidator Salary | 40,490.39 |
| | Deputy Liquidator Salaries | 72,113.21 |
| | Employee Salaries | 403,245.47 |
| | | <u>515,849.07</u> |

| | | |
|---------------|-------------------------------------|------------------|
| Note 9 | <u>Employee Benefits</u> | |
| | Salaries 401K Employer Contribution | 13,830.26 |
| | Employee Insurance Benefits | 73,569.70 |
| | Employee Related Expenses - Other | 8,627.49 |
| | Health Plan Expense | 74.82 |
| | | <u>96,102.27</u> |

| | | |
|----------------|---|------------------|
| Note 10 | <u>Payroll & Other Taxes</u> | |
| | Workers Compensation Insurance | 2,790.74 |
| | State Unemployment Tax | 21.81 |
| | FICA Tax | 35,655.43 |
| | | <u>38,467.98</u> |

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Credit General Insurance Company, In Liquidation
 Liquidation Date: January 5, 2001
 Notes to Statement of Cash Receipts and Disbursements
 Cumulative From 7/01/11 to 12/31/11

| | | |
|----------------|--|---------------------|
| Note 11 | <u>Legal Fees</u> | |
| | <u>Attorney General Legal Fees</u> | |
| | Carlile Patchen & Murphy LLP | 1,487.64 |
| | Calfee Halter and Griswold | 17,395.00 |
| | Kohman Jackson & Krantz PLL | 1,872.50 |
| | Subtotal Attorney General Legal Fees | 20,755.14 |
| | <u>Attorney General Legal Expenses</u> | |
| | Calfee Halter & Griswold | 18.27 |
| | Subtotal Attorney General Legal Expenses | 18.27 |
| | Total Attorney General and Non-Attorney General Legal Fees and Expenses | 20,773.41 |
| Note 12 | <u>Consulting Fees and Other Outside Contracts</u> | |
| | ADP - Payroll Processing | 1,935.93 |
| | LS Consulting LLC - Accounting Consultants | 42,750.00 |
| | Madison Consulting Group - Actuarial Consultants | 6,452.04 |
| | Paragon Reinsurance Risk (NKA: Inpoint) - Reinsurance Consultant | 28,715.99 |
| | Rasp Consulting - IT Consultant | 15,936.68 |
| | | 95,790.64 |
| Note 13 | <u>Tax Preparation and Audit Fees</u> | |
| | Schneider Downs & Co., Inc. - 2008 Tax Return Form 1120-PC | 3,000.00 |
| | Maloney & Novotny LLC - Audit 06/30/2011 Year End | 4,600.00 |
| | Total Tax Preparation and Audit Fees and Expenses | 7,600.00 |
| Note 14 | <u>Rent & Rent Items</u> | |
| | Rent on Leased Properties | 173,995.43 |
| | Rent -Other | 112.79 |
| | Trash and Recycling | 586.92 |
| | Furniture Fixture & Equipment Rent | 2,054.20 |
| | | 176,749.34 |
| Note 15 | <u>Maintenance/Repair Facility & FF&E</u> | |
| | Gordon Flesch Co Inc | 931.70 |
| | | 931.70 |
| Note 16 | <u>Travel & Travel Items</u> | |
| | Travel & Accommodation | 1,697.87 |
| | Meals | 285.04 |
| | | 1,982.91 |
| Note 17 | <u>Postage, Freight, Internet, and Telephone</u> | |
| | Postage | 1,358.39 |
| | Express & Freight | 115.96 |
| | Telephone and Fax | 3,015.82 |
| | Internet | 3,584.32 |
| | | 8,074.49 |
| Note 18 | <u>Office Supply Expense</u> | |
| | Office Expense | 1,597.21 |
| | | 1,597.21 |
| Note 19 | <u>Data Processing</u> | |
| | Computer Supplies | 606.84 |
| | Software Expense-Purchase/Maintenance | 1,790.86 |
| | | 2,397.70 |
| Note 20 | <u>Banking and Investment Expense</u> | |
| | Banking and Investment Expense | 3,281.23 |
| | | 3,281.23 |
| Note 21 | <u>Settlement - Return Property - Mutual Indemnity</u> | |
| | Settlement with Mutual Indemnity return of funds (LOC # 7405139) belonging to Mutual Indemnity | 1,186,038.40 |
| | | 1,186,038.40 |

Credit General Insurance Company, in Liquidation
 Liquidation Date: January 5, 2001
 Notes to Statement of Cash Receipts and Disbursements
 Cumulative From 7/01/11 to 12/31/11

| | | |
|----------------|---|------------------|
| Note 22 | Other Expenses | |
| | Training & Seminars | 418.96 |
| | Professional and D&O/EPLIC Liability Insurance | 25,553.67 |
| | Registration & Dues | 323.28 |
| | Storage Retrieval | 47.60 |
| | Furniture & Equipment - Non Capitalized Purchases | 189.23 |
| | Books & Periodicals | 126.42 |
| | Contract Printing | 315.76 |
| | Moivn Expense - Gordon Flesch | 154.56 |
| | Production of Document - Professional Reporters | 230.60 |
| | | 27,360.08 |

| | | |
|----------------|--|---------------------|
| Note 23 | Encumbered Cash Accounts (Cumulative) | |
| | Cash Collateral: | |
| | Cash Collateral Beginning Balance 7/01/2011: | 1,912,833.34 |
| | Interest Earned for the period | 4.59 |
| | *Distribution Services (Returned to Randi L Osberg, Bankruptcy Trustee) | (15,000.00) |
| | Interest earned on deposit of Distribution Services LOC (kept by CGIC) | (1,947.42) |
| | Amount of Mutual Indemnity LOC released to CGIC per settlement | (709,852.11) |
| | Amount of Property returned to Mutual Indemnity (Bermuda) Ltd.-LOC # 7405139 | (1,186,038.40) |
| | Total in Cash Collateral Account | 0.00 |
| | TTC Cash Collateral | 1,238,285.40 |
| | Oregon Special Deposits Proceeds | 310,392.63 |
| | | 1,548,678.03 |

*The funds were sent to the bankruptcy trustee via check that was cut directly out of the Cash Collateral account, the money was never transferred to CGIC's Operating.