

IN THE COMMON PLEAS COURT OF  
FRANKLIN COUNTY, OHIO

MARY JO HUDSON, Ohio Superintendent of  
Insurance, in her capacity as Liquidator of  
Proliance Insurance Company,

Plaintiff,

v.

Proliance Insurance Company,

Defendant.

Case No. 00CVH12-11391

Judge Julie M. Lynch

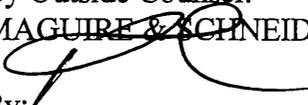
**NOTICE OF FILING OF CASH REPORTS AND MOTION FOR APPROVAL OF  
ACCOUNTING FOR THE PERIOD OF JULY 1, 2008 TO DECEMBER 31, 2008**

Plaintiff, Mary Jo Hudson, Ohio Superintendent of Insurance, in her capacity as Liquidator of Proliance Insurance Company (the "Liquidator") hereby notifies the Court of her filing of the Statement of Cash Receipts and Disbursements for the period July 1, 2008 to December 31, 2008, as set forth in the attached Exhibit A, and moves this Court for an Order approving the same. The grounds in support of this Motion are set forth in the accompanying Memorandum in Support.

Respectfully submitted,

RICHARD CORDRAY  
Attorney General of Ohio

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Liquidator of Proliance Insurance Company*

FILED  
COMMON PLEAS COURT  
FRANKLIN CO. OHIO  
2008 APR -3 PM 4:40  
CLERK OF COURTS-CV

## MEMORANDUM IN SUPPORT

This motion is brought by the Liquidator requesting that this Court approve the Statement of Cash Receipts and Disbursements for the period July 1, 2008 to December 31, 2008. These receipts and expenditures are described and set forth in the attached Exhibit A.

By Order of this Court entered on April 24, 2001 (the "Liquidation Order"), Proliance Insurance Company ("Proliance") was declared insolvent and placed into liquidation and the Ohio Superintendent of Insurance was appointed as its Liquidator. The Liquidator Order empowered, authorized and directed the Liquidator to take possession of and liquidate all of the property and assets of Proliance in accordance with the laws of Ohio, and under the continuing jurisdiction of this Court.

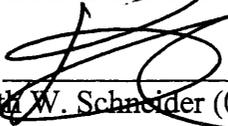
As part of the liquidation, the Liquidator is also required by Ohio Revised Code § 3903.18(E) to periodically account to the Court at such intervals as approved by the Court. This Court ordered on December 30, 2002 that its review and approval of such semi-annual accountings filed by the Liquidator would also serve as the Court's approval of all personnel compensation reflected in such accountings.

WHEREFORE, for the reasons outlined above, the Liquidator respectfully requests that the Court approve the attached Statement of Cash Receipts and Disbursements of the Liquidator for the period July 1, 2008 to December 31, 2008. For the convenience of the Court, a prepared Journal Entry has been submitted with this Motion.

Respectfully submitted,

RICHARD CORDRAY  
Attorney General of Ohio

By Outside Counsel:  
MAGUIRE & SCHNEIDER, LLP

By:   
\_\_\_\_\_  
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Liquidator of Proliance Insurance Company*

PROLIANCE INSURANCE COMPANY, IN LIQUIDATION  
LIQUIDATION DATE APRIL 24, 2001  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
CUMULATIVE FROM APRIL 24, 2001 THROUGH DECEMBER 31, 2008

	Current Period 7/1/2008 TO 12/31/2008	YTD 1/1/2008 TO 12/31/2008	CUMULATIVE FROM 4/24/2001
Beginning Cash & Invested Assets (Note 1)	920,554.90	456,864.95	735,773.36
Receipts:			
Interest Income (Note 2)	10,778.80	19,680.15	131,353.96
Unearned Commissions Collected	0.00	0.00	1,122.96
Salvage & Subrogation (Note 3)	1,408.54	2,178.54	111,305.75
Reinsurance Recoveries	0.00	472,776.61	819,870.80
Intercompany Reimbursement of Expenses from Prior Period (Note 4)	32.80	32.80	32.80
Recovery from Unclaimed Funds	0.00	0.00	388.50
Proceeds from Allenbrook Settlement	0.00	0.00	200,000.00
Recovery of Preference Payments	0.00	0.00	238,816.88
Return of Payroll Taxes from Paychex Processing Co	0.00	0.00	1,753.95
Refund from 2000 Ohio Fire Marshall Tax	0.00	0.00	3,234.90
Recovery from Officers and Employees	0.00	0.00	360.53
Uncashed Preliquidation Checks	0.00	0.00	36,139.68
Proceeds from the Sale of Assets (Note 5)	1.88	1.88	20,081.88
Refund Bureau of Workers Comp	0.00	0.00	192.01
Proceeds from Settlement Agreement-Gluck Ins. Company and The Cincinnati Insurance Companies	0.00	0.00	40,000.00
Other Income	0.00	0.00	85.00
<b>Total Receipts</b>	<b>12,222.02</b>	<b>494,669.98</b>	<b>1,604,740.60</b>
Disbursements:			
Celina Reinsurance Payment	0.00	0.00	53,936.86
GMAC Rein Pmt on Ceded Post-Liq Salvage & Subrogation	0.00	0.00	1,021.44
Compensation			
Salaries (Note 6)	7,413.60	17,580.17	346,547.87
Employee Benefits (Note 7)	1,073.50	2,257.35	30,161.35
Payroll and Other Taxes (Note 8)	490.51	1,261.08	27,705.32
Professional Fees:			
Accountants Fees (Note 9)	5,162.46	6,042.02	31,639.98
Legal Fees (Note 10)	374.25	1,552.00	113,276.08
Consulting Fees and Other Outside Contracts (Note 11)	1,197.53	2,196.17	101,960.69
Ohio Department of Insurance - Examiner Hours	0.00	0.00	13,606.15
Other Expenses of Administration of Company and its Property:			
Rent and Rent Items (Note 12)	1,506.97	3,765.08	47,042.38
Equipment Expenses (Note 13)	16.03	33.31	1,443.55
Travel and Travel Items (Note 14)	75.53	136.71	3,513.81
Postage, Freight and Telephone (Note 15)	47.23	117.86	5,871.77
Office and Computer Supply Expense (Note 16)	68.10	288.53	4,457.56
Moving and Relocation Costs (Note 17)	9.79	551.60	561.39
Other Expenses (Note 18)	1,129.71	1,542.34	41,270.46
All Other Disbursements:			
Interim Distribution to Insurance Guaranty Associations	0.00	0.00	603,897.00
<b>Total Disbursements</b>	<b>18,586.21</b>	<b>37,324.22</b>	<b>1,425,059.30</b>
Security Amortization for the Period	(4,832.86)	(4,832.86)	(6,076.81)
Ending Cash & Invested Assets (Note 1)	<b>909,377.85</b>	<b>909,377.85</b>	<b>909,377.85</b>

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



**PROLIANCE INSURANCE COMPANY, IN LIQUIDATION**  
**LIQUIDATION DATE APRIL 24, 2001**  
**ANALYSIS OF INCREASE IN CASH AND INVESTED ASSETS (UNENCUMBERED)**  
**For the Period July 1, 2008 through December 31, 2008**

**SCHEDULE A**

<b>Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 7/1/08</b>	<b>920,554.90</b>
<b>Decrease in Cash and Invested Assets (Unencumbered)</b>	<b><u>(11,177.05)</u></b>
<b>Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/08</b>	<b><u><u>909,377.85</u></u></b>

**Proliance Insurance Company, In Liquidation**  
**Liquidation Date April 24, 2001**  
**Notes to Statement of Cash Receipts and Disbursements**  
**For the Period July 1, 2008 through December 31, 2008**

	<b>Beginning Balance 7/1/2008</b>	<b>Ending Balance 12/31/2008</b>
<b>Note 1</b>		
<u><b>Cash and Invested Assets</b></u>		
Unencumbered Cash & Invested Assets		
Cash	25,554.90	59,159.32
Repurchase Agreements	895,000.00	0.00
Money Market JPMC	0.00	850,218.53
Short Term Investments	0.00	0.00
Total Unencumbered Cash & Invested Assets	<b>920,554.90</b>	<b>909,377.85</b>
Encumbered Non Cash Assets		
Statutory Deposits (C)	0.00	0.00
Total Encumbered Non Cash Assets	0.00	0.00
Total Cash and Invested Assets and Non Cash Assets	<b>920,554.90</b>	<b>909,377.85</b>
Statutory Deposits (C)		
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.		
<b>Note 2</b>		
<u><b>Interest Income</b></u>		
Interest on Bonds	18,643.75	
Interest Paid on Bonds	(6,282.13)	
Amortized Premium on Bonds	(2,925.15)	
Interest on Repurchase Agreements	1,123.80	
Int-JPMC Money Market	218.53	
	<b>10,778.80</b>	
<b>Note 3</b>		
<u><b>Salvage &amp; Subrogation</b></u>		
Kreiner & Peters Co LPA	1,268.54	
Nathaniel & Lisa A Pool	140.00	
	<b>1,408.54</b>	
<b>Note 4</b>		
<u><b>Intercompany Reimbursement of Expenses from Prior Period</b></u>		
Intercompany Reimbursement of Expenses from Prior Period	32.80	
	<b>32.80</b>	
<b>Note 5</b>		
<u><b>Proceeds from the Sale of Assets</b></u>		
Misc Income (Sale of CIC filing cabinets)	1.10	
Misc Income (reallocation of auction proceeds)	0.78	
	<b>1.88</b>	
<b>Note 6</b>		
<u><b>Salaries</b></u>		
Chief Deputy Liquidator	407.11	
Deputy Liquidators	1,396.79	
Employee Salaries	5,609.70	
	<b>7,413.60</b>	

**Proliance Insurance Company, In Liquidation**  
**Liquidation Date April 24, 2001**  
**Notes to Statement of Cash Receipts and Disbursements**  
**For the Period July 1, 2008 through December 31, 2008**

**Note 7     Employee Benefits**

Salaries 401K Employer Contribution	136.60
Employee Ins Benefits	763.27
Office Parking	161.80
Employee Relations - COTA	4.46
Employee Relations Other	7.37
	<u>1,073.50</u>

**Note 8     Payroll & Other Taxes**

Workers Compensation Insurance	24.65
State Unemployment Tax	1.21
Federal Unemployment Tax	0.69
FICA	463.96
	<u>490.51</u>

**Note 9     Accounting Fees**

Schneider Downs & Company	5,162.46
	<u>5,162.46</u>

**Note 10    Legal Fees**

**Special Counsel**

Maguire & Schneider LLP	373.50
<b>Total Legal Fees</b>	<u>373.50</u>

**Legal Expenses**

Kreiner & Peters	0.75
<b>Total Legal Expenses</b>	<u>0.75</u>
<b>Total Legal Fees &amp; Expenses</b>	<u>374.25</u>

**Note 11    Consulting Fees and Other Outside Contracts**

**Outside Data Processing:**

Automatic Data Processing	16.33
RASP Consulting- IT Consultant	33.82
Microman	1.93
TEKSystems - IT Consultant	249.25
<b>Total Outside Data Processing</b>	<u>301.33</u>

**Consulting Fees**

Glenn Comett - Claims Consultant	797.50
Kim Burnside-POC Admin. Consultant	98.70
<b>Total Outside Contracts</b>	<u>896.20</u>

<b>Total Consulting Fees and Contracts</b>	<u>1,197.53</u>
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**Note 12    Rent & Rent Items**

Rent on Leased Properties	1,285.18
Rent Other	12.28
Utilities - Gas/Electric	48.50
Janitorial Service	7.35
Furniture & Equipment Rent Copier & Computer	153.66
	<u>1,506.97</u>

Proliance Insurance Company, In Liquidation  
 Liquidation Date April 24, 2001  
 Notes to Statement of Cash Receipts and Disbursements  
 For the Period July 1, 2008 through December 31, 2008

<b>Note 13</b>	<b><u>Equipment Expenses (Includes Furniture &amp; Fixture Expense)</u></b>	
	Furniture, Fixtures & Equip Maintenance & Repair	16.03
		<u>16.03</u>
<b>Note 14</b>	<b><u>Travel &amp; Travel Items</u></b>	
	Travel-Accom. Transportaion	70.78
	Travel Expenses and Meals	4.75
		<u>75.53</u>
<b>Note 15</b>	<b><u>Postage, Freight and Telephone</u></b>	
	Postage	7.50
	Express & Freight	0.17
	Office Telephone and Fax	24.11
	Internet	15.45
		<u>47.23</u>
<b>Note 16</b>	<b><u>Office &amp; Computer Supply Expense</u></b>	
	Office Supplies	41.84
	Computer Maintenance	1.74
	Computer Supplies	25.74
	PPC Reimbursement of GOE-7/01/08-10/31/08-Computer Software Lease	(0.22)
		<u>69.10</u>
<b>Note 17</b>	<b><u>Moving and Relocation Costs</u></b>	
	Commercial Work-Move Planning/Expenses	9.79
		<u>9.79</u>
<b>Note 18</b>	<b><u>Other Expenses</u></b>	
	Training & Seminars	11.18
	Insurance - Building Liab.	19.66
	Insurance - Professional Liab.	452.38
	Registration and Dues	1.07
	FF&E Non-Capital Item	12.70
	Books & Periodicals	2.76
	Contract Printing	213.89
	Collection & Bank Charges	0.27
	401K Plan Expenses	3.47
	Temporary Help	4.07
	Misc Expense	1.08
	Salvage & Subrogation Legal Expense and Collection Fees	407.18
		<u>1,129.71</u>