

MEMORANDUM IN SUPPORT

The Liquidator requests this Court to approve the Statement of Receipts and Disbursements for the liquidation period of July 1, 2010 to December 31, 2010 (the "Statement"). The Statement is attached as Exhibit A and incorporated herein by reference.

Pursuant to the Liquidation Order entered in this case on October 27, 2008, GTT was ordered liquidated pursuant to R.C. Chapter 3903. Further, the Liquidator Order appointed the Ohio Superintendent of Insurance as GTT's Liquidator and was empowered, authorized and directed the Liquidator to liquidate all of GTT's property and assets in accordance with the laws of Ohio and under the continuing jurisdiction of this Court.

As part of the liquidation and pursuant to the Liquidation Order and R.C. Chapter 3903, the Liquidator undertook to collect all debts and moneys due to GTT, and makes payment of necessary expenses. The Liquidation Order and R.C. 3903.21(A)(4) provide, 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) provides that the expenses of administration are to be given first priority in the distribution of assets.

The Liquidator is also required by R.C. 3903.18(E) and paragraph 25 of the Liquidation Order to submit accountings semi-annually to the Court in the form of a statement of receipts and disbursements of the Liquidator throughout the pendency of GTT's liquidation proceedings. The accounting for the liquidation period from July 1, 2010 to December 31, 2010 is attached as

Exhibit A. The accounting is to assist the Court in monitoring the progress and status of the liquidation, and in particular, the receipts and disbursements in GTT's liquidation proceedings.

For the reasons outlined above, the Liquidator respectfully requests the Court to approve GTT's Statement of Receipts and Disbursements for the liquidation period from July 1, 2010 through December 31, 2010, as set forth in the attached Exhibit A.

Respectfully submitted,

MIKE DEWINE
Attorney General State of Ohio

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Department of Insurance, in her Capacity as
Liquidator of The Guarantee Title and Trust
Company*

THE GUARANTEE TITLE AND TRUST COMPANY, IN LIQUIDATION
LIQUIDATION DATE OCTOBER 27, 2008
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
CUMULATIVE FROM OCTOBER 27, 2008 THROUGH DECEMBER 31, 2010

	Current Period 07/01/10 TO 12/31/10	Year to Date TO 12/31/10	CUMULATIVE FROM 10/27/08
Beginning Cash & Invested Assets (Note 1)	1,174,116.29	1,407,020.81	1,622,322.78
Receipts:			
Interest Income (Note 2)	5,570.21	5,976.76	73,963.92
Premiums Collected	0.00	0.00	40,990.12
Recoveries from Claim Recoupments (Note 3)	105,000.00	105,000.00	185,281.15
Notes Receivable (Note 4)	549.99	1,091.79	2,693.79
Return of Special Deposits (Note 5)	100,000.00	100,000.00	1,053,306.07
Policy Fees Collected	0.00	0.00	183.00
Service Fees Collected	0.00	0.00	4,721.26
Proceeds from Sale of Assets	0.00	71.63	1,521.63
Uncashed and Voided Checks	0.00	0.00	1,146.89
Recovery of Funds from Closure of Clerk of Court Accounts	0.00	0.00	5,959.10
Endorsments Collected	0.00	0.00	2,315.00
Intercompany Reimbursements of Expenses from Prior Period	0.00	0.00	63,401.65
Proceeds from Rent on Subleased Office Space	0.00	0.00	4,416.25
Recoveries from Settlement Agreements	0.00	0.00	1,026.84
TIEFF Administrative Fee Collected	0.00	0.00	106.00
Recovery of Tax Refund & Assessment	0.00	0.00	8,800.00
Return of General Operating Expenses	0.00	0.00	1,286.51
Proceeds from PIC Closure - Funds Released to Other Insurance Companies - Admin Exp.	0.00	0.00	27,255.65
Other Income (Note 6)	650.01	1,308.21	6,206.75
Total Receipts	211,770.21	213,448.39	1,484,581.58

THE GUARANTEE TITLE AND TRUST COMPANY, IN LIQUIDATION
LIQUIDATION DATE OCTOBER 27, 2008
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
CUMULATIVE FROM OCTOBER 27, 2008 THROUGH DECEMBER 31, 2010

	Current Period 07/01/10 TO 12/31/10	Year to Date TO 12/31/10	CUMULATIVE FROM 10/27/08
Disbursements:			
Premiums Payments	0.00	0.00	4,146.16
Compensation:			
Salaries (Note 7)	43,870.20	125,119.90	685,492.31
Employee Benefits (Note 8)	5,857.12	11,143.70	50,349.69
Payroll and Other Taxes (Note 9)	2,363.70	7,530.10	42,092.98
Professional Fees:			
Legal Fees (Note 10)	43,875.10	147,349.75	437,046.59
Consulting Fees and Other Outside Contracts (Note 11)	925.14	4,387.65	137,837.97
Tax Preparation and Audit Fees & Expenses (Note 12)	8,500.00	11,317.98	23,070.76
Ohio Department of Insurance - Examiner Fees	0.00	0.00	352.99
Other Expenses of Administration of Company and its Property:			
Rent and Rent Items (Note 13)	24,166.18	49,755.73	151,739.20
Maintenance / Repair: Facility and FF & E (Note 14)	67.13	130.76	776.81
Travel and Travel Items (Note 15)	271.38	708.71	24,273.69
Postage, Freight, Telephone and Internet (Note 16)	881.01	1,714.07	80,488.96
Office Supply Expense (Note 17)	97.66	246.25	2,776.31
Data Processing (Note 18)	143.04	1,590.19	2,922.46
Banking and Investment Expense (Note 19)	3,937.12	7,967.05	22,906.44
Warehouse Consolidation Project Expenses	0.00	0.00	5,941.65
Title Commission	0.00	0.00	29,869.99
Other Expenses (Note 20)	1,513.71	2,089.35	64,807.35
Total Disbursements	136,468.49	371,051.19	1,766,892.31
Net Decrease in Impaired Assets	0.00	0.00	(105,068.23)
Release of Special Deposits - Investments (Note 21)	100,000.00	100,000.00	100,000.00
Security Amortization for the Period	0.00	0.00	14,474.19
Ending Cash & Invested Assets (Note 1)	1,349,418.01	1,349,418.01	1,349,418.01

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

**THE GUARANTEE TITLE & TRUST COMPANY, IN LIQUIDATION
LIQUIDATION DATE OCTOBER 27, 2008
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 06/30/10	<u>2,850,605.71</u>
Increase in Cash and Invested Assets (Unencumbered)	175,301.72
Decrease in Non Cash Assets (Encumbered)	<u>(202,339.55)</u>
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/10	<u><u>2,823,567.88</u></u>

THE GUARANTEE TITLE AND TRUST COMPANY, IN LIQUIDATION
LIQUIDATION DATE OCTOBER 27, 2008
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JULY 1, 2010 THROUGH DECEMBER 31, 2010

Note 2	<u>Interest Income</u>	
	Interest on Bonds - Ancillary Rec	5,039.02
	Interest on Money Market Funds	531.19
	Total Interest Income	<u>5,570.21</u>
Note 3	<u>Recoveries from Claim Recoupments</u>	
	City Suburban Title	95,000.00
	Michael & Susan Frezza	10,000.00
	Total Recoveries from Claim Recoupments	<u>105,000.00</u>
Note 4	<u>Notes Receivable</u>	
	Pamela R Franz	549.99
	Total Notes Receivable	<u>549.99</u>
Note 5	<u>Return of Special Deposits</u>	
	Florida Special Deposit	100,000.00
	Total Return of Special Deposits	<u>100,000.00</u>
Note 6	<u>Other Income</u>	
	Misc Interest Income - Franz Note Receivable	650.01
	Total Other Income	<u>650.01</u>
Note 7	<u>Salaries</u>	
	Chief Deputy Liquidator	3,064.03
	Deputy Liquidators	13,274.40
	Liquidation Employee Salaries	27,531.77
	Total Salaries	<u>43,870.20</u>
Note 8	<u>Employee Benefits</u>	
	Salaries 401K Employer Contribution	1,347.67
	Employee Insurance Benefits	4,023.75 *
	Employee Relations Other	485.70
	Total Employee Benefits	<u>5,857.12</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.

THE GUARANTEE TITLE AND TRUST COMPANY, IN LIQUIDATION
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FOR THE PERIOD JULY 1, 2010 THROUGH DECEMBER 31, 2010

Note 9

Payroll & Other Taxes

Workers Compensation Insurance	52.21
State Unemployment Tax	0.72
FICA Tax	2,310.77 *
Total Payroll & Other Taxes	<u>2,363.70</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 10

Legal Fees

Attorney General Contracted Legal Fees

Carlile Patchen & Murphy	19.88
Kohrman Jackson & Krantz	40,897.50
Tribler Orpett & Meyer PC	787.50
Sub-Total	<u>41,704.88</u>

Attorney General Contracted Legal Expenses

Kohrman Jackson & Krantz	997.97
Sub-Total	<u>997.97</u>

General Legal Fees

Fox Rothschild LLP	1,172.25
Sub-Total	<u>1,172.25</u>
Total Legal Fees	<u>43,875.10</u>

Note 11

Consulting Fees and Other Outside Contracts

ADP- Payroll Processing	106.46
RASP Consulting - IT Consultant	818.68
Total Consulting Fees and Other Outside Contracts	<u>925.14</u>

Note 12

Tax Preparation and Audit Fees and Expenses

*** Tax Preparation and Audit Fees**

Schneider Downs & Co Inc - Tax & Audit Fees	8,500.00
Subtotal Tax Preparation and Audit Fees	<u>8,500.00</u>

*** Tax Preparation and Audit Expenses**

Schneider Downs & Co Inc - Tax & Audit Expenses	0.00
Subtotal Tax Preparation and Audit Expenses	<u>0.00</u>

Total Tax Preparation and Audit Fees & Expenses	<u>8,500.00</u>
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LIQUIDATION DATE OCTOBER 27, 2008
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JULY 1, 2010 THROUGH DECEMBER 31, 2010

Note 13	<u>Rent and Rent Items</u>	
	Rent on Leased Properties - Columbus Office Space	6,216.63
	Rent on Leased Properties - 1450 Dublin Rd Warehouse	1,398.95
	GTT - Zicardi Storage	15,000.00
	Rent - Other - National City Safety Deposit Box	7.20
	Furniture, Fixtures, & Equipment Rent	1,515.78
	Trash and Recycling	27.62
	Total Rent and Rent Items	<u><u>24,166.18</u></u>
Note 14	<u>Maintenance / Repair: Facility and FF & E</u>	
	Gordon Flesch Co, Inc	63.33
	Columbus Time Recorder	3.80
	Total Maintenance / Repair: Facility and FF & E	<u><u>67.13</u></u>
Note 15	<u>Travel and Travel Items</u>	
	Travel/Accommodation -Transportation	238.06
	Travel Expenses and Meals	33.32
	Total Travel and Travel Items	<u><u>271.38</u></u>
Note 16	<u>Postage, Freight, Telephone, and Internet</u>	
	Postage	65.35
	Express and Freight	12.60
	Telephone & Fax	154.45
	Internet - Internet Access	648.61
	Total Postage, Freight, Telephone, and Internet	<u><u>881.01</u></u>
Note 17	<u>Office Supply Expense</u>	
	Office Supplies	97.66
	Total Office Supply Expense	<u><u>97.66</u></u>
Note 18	<u>Data Processing</u>	
	Computer Supplies	31.32
	Computer Software Lease - Liquidation Office	111.72
	Total Data Processing Expense	<u><u>143.04</u></u>

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NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JULY 1, 2010 THROUGH DECEMBER 31, 2010

Note 19	<u>Banking & Investment Expense*</u>	
	Banking & Investment Expense	3,937.12
	Total Banking & Investment Expense	<u><u>3,937.12</u></u>

*Includes Chase Escrow Accounts Bank Fees.

Note 20	<u>Other Expenses</u>	
	Training & Seminars	9.41
	Insurance Building Liability-Commercial Package Premium Refund	(12.65)
	Registration & Dues	4.64
	Professional Liability Insurance	1,488.61
	FF& E and IT - Non Capitalized Purchases	12.14
	Books & Periodicals	11.75
	Miscellaneous Expense	(0.19)
	Total Other Expenses	<u><u>1,513.71</u></u>

Note 21	Release of Special Deposits - Investments:	
	Release of Certificate of Deposit - FL IGA	<u>100,000.00</u> *
	Total Release of Special Deposit - Investments	<u><u>100,000.00</u></u>

*The Florida IGA released a \$100,000 certificate of deposit to the GTT estate in December 2010. The Liquidator chose to keep the CD until it matures in July 2011 as the CD's interest rate had a higher yield than other investments that also comply with the Liquidation Office investment Guidelines ("the Guidelines") at the time of the release.