

MEMORANDUM IN SUPPORT

This motion is brought by the Liquidator requesting that this Court approve the Companies' Statements of Receipts and Disbursements of the Liquidator for the period of July 1, 2007 through December 31, 2007 (the "Statements"). These Statements are described and set forth in the attached Exhibits A and B.

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 the Companies 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 the Companies, 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 the Companies' liquidation proceedings, to be submitted in the form attached hereto as Exhibits A and B. Such accountings may assist the Court in monitoring the progress and status of the liquidation, and in particular, the receipts and disbursements in the Companies' proceedings.

WHEREFORE, for the reasons outlined above, the Liquidator respectfully requests the Court to approve the Companies' Statements of Receipts and Disbursements of the Liquidator for the periods of July 1, 2007 through December 31, 2007, as set forth in the attached Exhibits A and B.

Respectfully submitted,

MARC DANN
Attorney General State of Ohio

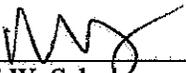
By Outside Counsel:
KEGLER, BROWN, HILL & RITTER
A Legal Professional Association



R. Kevin Kerns (0021781)
Richard W. Schuermann, Jr. (0032546)
65 E. State St., Suite 1800
Columbus, Ohio 43215
(614) 462-5400
kkerns@keglerbrown.com
rschuermann@keglerbrown.com
Attorneys for the Liquidator of Credit General Insurance
Company and Credit General Indemnity 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 26th day of March, 2008, upon all parties on the attached Service List:



Richard W. Schuermann, Jr. (0032546)

SERVICE LIST

Kenneth Seminatore
815 Superior Avenue, Suite 1715
The Superior Building
Cleveland, OH 44114-2700

Hermann, Cahn & Schneider
1301 East Ninth Street, Suite 500
Cleveland, OH 44114-1876

Peter A. Rome
Ulmer & Berne LLP
Skylight Office Tower
1660 West 2nd Street, Suite 1100
Cleveland, OH 44113-1448

Grant Thornton
1228 Euclid Avenue, Suite 800
Cleveland, OH 44115

The Huntington National Bank
Vehicle Leasing
P.O. Box 2059
Columbus, OH 43216

Giovanni's Restaurant
25550 Chagrin Avenue
Beachwood, OH 44112

Linda Panzarella
c/o Russell A. Kelm
37 W. Broad Street, Suite 860
Columbus, OH 43215

Kahn, Kleinman, LPA
1301 E. Ninth Street, Suite 2600
Cleveland, OH 44114-1824
Counsel for Laura Darcy

John R. Climaco, Esq.
Climaco, Lefkowitz, Peca, Wilcox &
Garofoli LPA
55 Public Square, Suite 1950
Cleveland, Ohio 44113

David Alexander, Esq.
Stephen D. Lerner, Esq.
Squire, Sanders & Dempsey LLP
41 S. High Street, Suite 1300
Columbus, OH 43215-6197
Counsel for US Bank

CNA Insurance
Attn: Law Department
CNA Plaza, Suite 285
Chicago, IL 60685

Ronald A. Rispo
Weston Hurd, LLP
The Tower at Erieview
1301 E. 9th Street, Ste. 1900
Cleveland, OH 44114-1862
Counsel for Campania Management.

Lisa Moore
Accelerated Claims Services, Inc.
555 N. Parkcenter Drive,
Suite 115
Santa Ana, CA 92705

Bryan Penton
Administration Claim Service
8970 West 35W Service Drive
Minneapolis, MN 55449

Steve Bemer *ret. 3-08*
American Agency Systems, Inc.
3503 N.W. 63rd, Suite 460
Oklahoma City, OK 73116-2203

Lynn Berg
Anchor Claims Management
P.O. Box 819045
Dallas, TX 75381-9045

Marina Joseph
Atlantic Risk Services
Three Giralda Farm
Madison, NJ 07940

Tammy Richison
ASU Risk Management
2120 University Park Drive
Okemos, MI 48805-0077

George D. Jonson
Berman Berman & Berman, LLP
36th East Seventh Street
Cincinnati, OH 45202

Terry Eichenseer
Crawford
1900 E. Golf Road, Suite 700
Schaumburg, IL 60173

Tonna Dowan
Cunningham Lindsey
405 Highway 121 Bypass
Building A, Suite 200
Lewisville, TX 75067

Dave Kocourek
Gallagher Bassett
Two Pierce Place
Itasca, IL 60143-3141

Lou Brentzel
GAB Robins
306 DaVinci Drive
Irwin, PA 15642

Jerry D. Service, General Manager
Florida Insurance Guaranty Assn.
10151 Deerwood Park Blvd.
Bldg. 100, Suite 400
Jacksonville, FL 32256-0556

Greg Fazekash
2169 Andover Place
Hudson, OH 44236-5400

Roger Schantz, Esq.
Mark Tucker, Esq.
Jennifer M. Turk, Esq.
Benesch Friedlander Coplan &
Aronoff, LLP
41 S. High Street, Suite 2600
Columbus, OH 43215
Counsel for the PRS Trustee

Vaughn Leslie
Appalachian Claims Service
1110 West Clinch Avenue
Knoxville, TN 37916

Randy Chapman
Hewitt Coleman & Associates
P.O. Box 5500
Greenville, SC 29606

Jeffrey J. Cahill, Managing Sec.
N.D. Insurance Guaranty Assn.
P.O. Box 2634
Bismark, ND 58502-2634

Jim Leach
Association Services, Inc.
2410 Paces Ferry Road, Suite 300
Atlanta, GA 30339

Dave Magin
Intercare Insurance Services
P.O. Box 2550
Sacramento, CA 95812

Timothy Jay Houseal, Esq.
Maureen D. Luke, Esq.
Young Conaway Stargatt &
Taylor, LLP
1000 West Street, 17th Floor
Wilmington, DE 19801
Counsel for the PRS Trustee

Law Offices of John J. Gallagher
1760 Market Street, Suite 1100
Philadelphia, PA 19103

Paul M. Gulko, Exec. Secretary
New Hampshire Insurance
Guaranty
One Bowdoin Square
Boston, MA 02114-2916

Susan Kaye
Risk Enterprise Management
1355 Mendota Heights Rd.,
Ste. 130
Mendota Heights, MN 55120

Davies Burton, Manager
Ancillary Receiverships Admin.
New York Liquidation Bureau
123 William Street
New York, NY 10038

David Scibal
Scibal Associates Inc.
P.O. Box 500
Somers Point, NJ 08244

Michael E. Surguine, Exec. Dir.
Arizona Property & Casualty
Insurance Guaranty Fund
1110 West Washington
Suite 270
Phoenix, AZ 85007

Edwin E. Evans, Managing Sec.
S.D. Insurance Guaranty Assn.
513 S. Main Avenue
P.O. Box 1030
Sioux Falls, SD 57101-1030

John F. Winkler, Esq.
Winkler & Winkler LLC
326 S. High Street, Suite 400
Columbus, OH 43215
*Counsel for Reliance Insurance
Co*

Steve A. Uhrynowycz
Liquidation Directory/Deputy
Receiver
Arkansas Department of
Insurance
1200 W. Third Street, Suite 340
Little Rock, AR 72201-1904

Kevin D. Harris
Counsel and Secretary
NCIGF
300 North Meridian St., Ste 1020
Indianapolis, IN 46204

Daniel W. Costello, Esq.
Porter, Wright, Morris & Arthur
41 S. High Street
Columbus, OH 43215
Counsel for RSKCo

F. James Foley, Esq.
Vorys Sater Seymour and Pease
P.O. Box 1008
Columbus, OH 43216-1008
Counsel for OIGA

David A. Kopech, Esq.
Kopech & O'Grady LLC
500 S. Front St., Suite 1200
Columbus, OH 43215

Thomas J. Hennessey, Esq.
Bingham McCutchen LLP
150 Federal Street
Boston, MA 02110
Counsel for the PRS Trustee

John C. Hartranft
Porter Wright Morris & Arthur
41 South High Street
Columbus, OH 43215-6194
Counsel for Certified Systems, Inc.

Alan F. Berliner
Thompson Hine & Flory
One Columbus
10 West Broad Street
Columbus, OH 453215-3435
*Counsel for John Hancock,
Monumental Life Insurance
Company, General Casualty and
General Reinsurance (GenRe)*

Nicholas D. Satullo, Esq.
Reminger & Reminger Co., LPA
1400 Midland Building
101 Prospect Avenue, West
Cleveland, Ohio 44115-1093
*Counsel for AmTrust Financial
Group*

Jamie M. Ramsey, Esq.
Robert G. Sanker
Keating, Muething & Klekamp
1400 Provident Tower
One East Fourth Street
Cincinnati, OH 45202
Counsel for the TIG Insurance Co.

W. Evan Price II
Bailey Cavalieri LLC
One Columbus, Suite 2100
10 West Broad Street
Columbus, OH 43215
Counsel for TTC Illinois, Inc.

Andrew D. Bratzel
The ServiceMaster Company
3250 Lacey Road, #600
Downers Grove, IL 60515

Marvin Kelly, Exec. Director
Texas Property & Casualty
Insurance Guaranty Assn.
9120 Burnet Road
Austin, TX 78758

Scott Myers
Assistant Attorney General
30 E. Broad Street, 26th Floor
Columbus, OH 43215-3428

Sean C. Logan, Esq.
Annapolis Consulting Group LLC
2530 Riva Road, Suite 308
Annapolis, MD 21402
PRS Trustee

James R. Rishel
Rinehart & Rishel
300 East Broad Street, #190
Columbus, OH 43215
Counsel for Robert Lucia

Harold S. Horwich, Esq.
Stephen M. Hryniewicz, Esq.
Bingham McCutchen LLP
One State Street
Hartford, CT 06103-3178
Counsel for the PRS Trustee

David H. Levitt
Hinshaw & Culbertson
222 N. LaSalle, Suite 300
Chicago, IL 60601
Counsel for Certified Systems, Inc.

Gerritt M. Prinske, Esq.
Pamela Dunlop Gates, Esq.
Thompson, Coe, Cousins & Irons
Plaza of the Americas
700 N. Pearl Street, 25th Floor
Dallas, TX 75201-2832
Counsel for the TIG Insurance Co.

Stephen G. Schweller, Esq.
Dinsmore & Shohl LLP
255 East Fifth Street, Ste. 1900
Cincinnati, Ohio 45202

EXHIBIT A
Credit General Indemnity Company
July 1, 2007 through December 31, 2007

CREDIT GENERAL INDEMNITY COMPANY, IN LIQUIDATION
LIQUIDATION DATE: DECEMBER 12, 2000
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
CUMULATIVE FROM DECEMBER 12, 2000 THROUGH DECEMBER 31, 2007

	Current Period 7/1/2007 TO 12/31/2007	Year To Date 1/1/2007 TO 12/31/2007	CUMULATIVE FROM 12/12/2000
Beginning Cash & Invested Assets (Note 1)	5,884,655.71	5,363,679.89	2,815,389.97
Receipts:			
Interest Income (Note 2)	152,852.14	313,907.54	1,738,496.35
Premiums Collected (Note 3)	50,265.00	54,941.50	1,298,307.06
Recovery of IRS Tax Refunds	0.00	451,321.41	451,321.41
Recovery of Statutory Deposits	0.00	0.00	673,253.01
Recovery of Unearned Commissions	0.00	0.00	1,271.85
Salvage & Subrogation	0.00	0.00	188,254.34
Reimbursement of Paid Claims (Note 4)	422,352.00	422,352.00	422,352.00
Premium & Losses Direct	0.00	0.00	972.34
Recovery of Tax Premium Refunds	0.00	0.00	10,373.00
Other Income	0.00	0.00	1,915.92
Total Receipts	625,469.14	1,239,522.45	4,786,517.28
Disbursements:			
Compensation:			
Salaries (Note 5)	87,636.21	143,078.64	654,958.27
Employee Benefits (Note 6)	7,812.15	17,627.15	69,257.35
Payroll and Other Taxes (Note 7)	6,085.27	10,492.82	48,984.85
Professional Fees:			
Tax Preparation and Audit Fees (Note 8)	7,102.93	10,331.21	15,470.44
Consulting Fees and Other Outside Contracts (Note 9)	2,254.84	4,181.66	304,243.69
Legal Fees (Note 10)	494.96	534.28	9,616.27
Other Expenses of Administration of Company and its Property:			
Office Supplies (Note 11)	322.83	628.06	3,921.48
Rent and Rent Items (Note 12)	9,572.00	19,548.03	78,758.80
Equipment Expense (Note 13)	128.69	279.78	2,941.13
Travel and Travel Items (Note 14)	633.09	1,068.03	5,522.76
Postage, Freight and Telephone (Note 15)	549.61	1,164.12	11,880.59
Data Processing (Note 16)	1,560.43	4,472.77	25,875.40
Investment Expense (Note 17)	75.00	150.00	6,577.99
Other Expenses (Note 18)	25,837.22	29,586.17	109,880.97
All Other Disbursements			
Additional Cost of Replacement of Special Deposit	0.00	0.00	3,376.39
Net Cost of Replacement Statutory Deposit	0.00	0.00	699,290.64
Total Disbursements	150,065.23	243,142.72	2,050,557.02
Net Recovery of Statutory Deposits (Various Securities)	0.00	0.00	565,632.06
Reclass of NCB Held CA Replacement Ancillary Security to Bonds	0.00	0.00	250,615.61
Security Amortization for the Period	0.00	0.00	(8,538.28)
Ending Cash & Invested Assets (Note 1)	6,360,059.62	6,360,059.62	6,360,059.62

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

CREDIT GENERAL INDEMNITY COMPANY, IN LIQUIDATION
LIQUIDATION DATE: DECEMBER 12, 2000
ANALYSIS OF INCREASE IN CASH AND INVESTED ASSETS (UNENCUMBERED)
FOR THE PERIOD JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 07/01/07	8,664,842.65
Increase in Cash and Invested Assets (Unencumbered)	475,403.91
Decrease in Non Cash Assets (Encumbered)	<u>(129.48)</u>
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/07	<u><u>9,140,117.08</u></u>

CREDIT GENERAL INDEMNITY COMPANY, IN LIQUIDATION
LIQUIDATION DATE: DECEMBER 12, 2000
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Note 1	<u>Cash and Invested Assets</u>	Ending Balance 8/30/2007	Ending Balance 12/31/2007
	Unencumbered Cash & Invested Assets		
	Cash	5,655.71	5,059.62
	Repurchase Agreements	5,878,000.00	6,355,000.00
	Bonds at Amortized Value	0.00	0.00
	Total Unencumbered Cash & Invested Assets	5,884,655.71	6,360,069.62
	Encumbered Non Cash Assets		
	Statutory Deposits (C)	2,780,186.94	2,780,057.46
	Total Encumbered Non Cash Assets	2,780,186.94	2,780,057.46
	Total Cash and Invested Assets and Non Cash Assets	8,664,842.65	9,140,117.08

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	Interest Rate	PAR Value	Amortized Value	
CA	CD	Bank of America		25,000.00	25,053.75	
TX	CD	Wells Fargo Bank		-	-	NOTE E
TX	CD	Wells Fargo Bank		-	-	NOTE E
CA	31359-MDT-7	Citibank	5.7500	250,000.00	250,000.00	NOTE A
CA	912827-7E-8	Citibank	2.7500	450,000.00	450,000.00	NOTE A
CA	912828-AB-8	Citibank	3.3750	200,000.00	200,000.00	NOTE A
CA	912828-AD-2	Citibank	3.2500	100,000.00	100,000.00	NOTE A
CA	912828-AK-6	Citibank	2.1250	175,000.00	175,000.00	NOTE A
CA	912828-AL-4	Citibank	1.8750	280,000.00	280,000.00	NOTE A
CA	912828-AR-1	Citibank	1.7500	300,000.00	300,000.00	NOTE A
CA	912828-AV-2	Citibank	1.5000	100,000.00	100,000.00	NOTE A
CA	345397-NJ-8	Citibank	6.2500	100,000.00	100,000.00	NOTE A
CA	254687-AM-8	Citibank	6.7500	100,000.00	100,000.00	NOTE A
CA	590188-HQ-4	Citibank	7.0000	100,000.00	100,000.00	NOTE A
CA	617446-AZ-2	Citibank	6.8750	100,000.00	100,000.00	NOTE A
CA	975826-BA-4	Citibank	7.0000	100,000.00	100,000.00	NOTE A
CA	482200-AQ-4	Citibank	6.4500	100,000.00	100,000.00	NOTE A
CA	616880-BM-1	Citibank	6.7000	100,000.00	100,000.00	NOTE A
CA	031162-AB-6	Citibank	6.5000	100,000.00	100,000.00	NOTE A
CA	06422K-AA-0	Citibank	6.2500	100,000.00	100,003.71	NOTE A
	Ending Balance As of December 31, 2007			2,780,000.00	2,780,057.46	

NOTE A: Matured securities, Citibank holding cash proceeds.
NOTE B: Texas Certificates of Deposit proceeds sent to liquidation office in March and April 2006.

Note 2	<u>Interest Income</u>	
	Interest on Repurchase Agreements	139,597.08
	Interest on Bonds Ancillary Rec.	13,255.06
		<u>152,852.14</u>
Note 3	<u>Premiums Collected</u>	
	Premiums Collected	50,265.00
		<u>50,265.00</u>
Note 4	<u>Reimbursement of Paid Claims</u>	
	Reimbursement of Paid Claims - Per Settlement Agreement with Conex	422,352.00
		<u>422,352.00</u>
Note 5	<u>Salaries</u>	
	Chief Deputy Liquidator	2,102.29
	Deputy Liquidators	11,615.69
	Employee Salaries	73,918.23
		<u>87,636.21</u>
Note 6	<u>Employee Benefits</u>	
	Salaries 401K Employer Contribution	1,733.82
	Employee, A&H, Dental, Vision Insurance	6,012.85
	Employee Relations Other	65.48
		<u>7,812.15</u>
Note 7	<u>Payroll & Other Taxes</u>	
	Workers Compensation Insurance	176.43
	State Unemployment Tax	18.07
	Federal Unemployment Tax	6.73
	FICA	5,884.04
		<u>6,085.27</u>

CREDIT GENERAL INDEMNITY COMPANY, IN LIQUIDATION
LIQUIDATION DATE: DECEMBER 12, 2000
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Note 8	<u>Tax Preparation and Audit Fees</u> Schneider Downs & Co., Inc.	7,102.93 <u>7,102.93</u>
Note 9	<u>Consulting Fees and Other Outside Contracts</u> Automatic Data Processing (ADP) Digital Controls - IT Consultant Kim Bumside - POC Admin. Consultant	140.47 1,870.57 243.80 <u>2,254.84</u>
Note 10	<u>Legal Fees & Expenses</u> <u>Special Counsel</u> Kegler Brown Hill Ritter Kegler Brown Hill Ritter - Expense Items	494.87 0.09 <u>494.96</u>
	Total Legal Fees & Expenses	<u>494.96</u>
Note 11	<u>Office Supply Expense</u> Liquidation Office - Office Supplies	322.83 <u>322.83</u>
Note 12	<u>Rent & Rent Items</u> Rent on Leased Properties Rent - Other Utilities - Gas/Electric Janitorial Service Furniture Fixture Equipment Rent	5,760.64 6.03 1,477.17 370.75 1,957.41 <u>9,572.00</u>
Note 13	<u>Equipment Expense (includes Furniture and Fixtures Expense)</u> ADT Security Systems - Includes Key Card Purchases/Reimb Gordon Fleisch Co Inc - Copier/Fax Maintenance	41.47 87.22 <u>128.69</u>
Note 14	<u>Travel & Travel Items</u> Travel-Accom. Transportation Travel Expenses and Meals	559.98 73.11 <u>633.09</u>
Note 15	<u>Postage, Freight and Telephone</u> Office Postage Express & Freight Office Telephone and Fax Internet	120.13 33.39 301.66 84.43 <u>649.61</u>
Note 16	<u>Data Processing</u> Computer Maintenance Computer Supplies Computer Software Lease	74.51 103.71 1,382.21 <u>1,560.43</u>
Note 17	<u>Investment Expense</u> Investment Expense	75.00 <u>75.00</u>
Note 18	<u>Other Expenses</u> Advertising & Publications Training & Seminars Insurance - Building Liability Professional Liability Insurance Furniture & Equipment - Non Capitalized Purchases Registration and Fees Contract Printing Books & Periodicals Moving Expense Temporary Help Misc. Expenses Dana and Pariser Co. LPA - Collection Agency Fees Allied Interstate Inc - Collection Agency Fees	31.26 46.02 256.78 3,115.17 76.07 68.27 86.03 38.22 3.87 7,358.66 2.89 14,427.23 328.85 <u>25,837.22</u>

EXHIBIT B
Credit General Insurance Company
July 1, 2007 through December 31, 2007

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, 2007

	Current Period 7/1/2007 TO 12/31/2007	Year to Date TO 12/31/2007	Cumulative From 1/5/2001
Beginning Cash & Invested Assets (Note 1)	37,533,820.14	29,019,772.78	18,679,219.85
Receipts:			
Interest Income (Note 2)	976,845.06	1,854,748.59	6,956,512.03
Premiums Collected (Note 3)	365,942.86	2,201,846.32	19,563,900.10
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)	2,743,471.49	6,198,052.26	22,434,152.05
Salvage & Subrogation (Note 5)	49,285.03	293,702.72	4,107,220.69
Reimbursement of Paid Claims	0.00	0.00	1,283,347.82
Recovery from P/A/S	0.00	131,590.12	2,972,510.92
Recovery of IRS Tax Refunds (Note 6)	318,220.55	10,565,562.46	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 General Operating Expenses	0.00	0.00	21,172.73
Refund of Payroll Taxes	0.00	0.00	1,798.80
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 7)	3,000,000.00	3,015,000.00	5,743,725.80
Proceeds from the Sale of Assets	0.00	0.00	118,027.92
Refund of Premium Taxes & Assessments	0.00	0.00	234,452.73
Proceeds from Closed Accounts	0.00	0.00	272,325.61
Recovery from Directors and Officers (Note 8)	1,000.00	24,500.00	5,574,266.31
Recovery from LOC Drawdowns	0.00	0.00	2,195,789.89
Recovery of Preference Payments	0.00	35,722.70	2,509,427.57
Recovery of Unearned Commissions	0.00	0.00	1,038,813.29
Recoveries Under High Deductible Policies	0.00	0.00	135,072.04
Proceeds from Closure of Ohio General Ins. Co. - Prepaid Operating Expenses (Note 9)	38,192.35	38,192.35	38,192.35
Transfer of Funds from CGIC/Cash Collateral to CGIC Operating (Note 10)	17,417.22	17,417.22	17,417.22
Transfer of Funds from CGIC/PRS Trust to CGIC Operating Account	0.00	0.00	375,577.20
Other Income (Note 11)	8,561.19	10,783.25	125,133.55
Total Receipts	7,516,915.75	24,387,117.99	69,300,385.68
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	4,615,787.07	4,615,787.07
Transfer of CGIN Portion of IRS Tax Refund	0.00	451,321.41	451,321.41
Reinsurance Payment	0.00	0.00	5,000.00
Transfer of Funds to CGIC Cash Collateral (Note 26)	16,073.46	16,073.46	31,080.23
Reinsurance Ceded-AmTrust	0.00	0.00	2,326,068.04
Compensation			
Salaries (Note 12)	792,382.50	1,538,698.47	10,685,164.27
Employee Benefits (Note 13)	73,773.62	174,035.59	893,442.25
Payroll & Other Taxes (Note 14)	56,762.33	117,680.42	668,788.89
Professional Fees			
Legal Fees (Note 15)	613,812.44	1,206,884.40	15,259,321.32
Consulting Fees and Other Outside Contracts (Note 16)	1,623,524.61	3,112,847.08	26,342,428.31
Ohio Dept of Insurances-Examiner Fees	0.00	0.00	172,935.72
Accounting Fees (Note 17)	7,102.93	12,593.59	289,242.58
Other Expenses of Administration of Company and its Property:			
Rent & Rent Items (Note 18)	112,160.05	232,893.33	1,572,962.00
Equipment Expense (Note 19)	4,223.96	7,082.08	151,255.80
Travel & Travel Items (Note 20)	9,665.87	20,212.42	763,875.87
Postage, Freight, Internet, and Telephone (Note 21)	15,899.84	31,969.85	364,893.18
Office Supply Expense (Note 22)	9,856.64	15,871.80	110,247.28
Data Processing (Note 23)	14,089.11	40,281.90	308,791.48
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)	888.80	2,469.89	59,711.59
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 (Note 25)	5,427.18	5,427.18	499,620.57
Settlement Expense (Note 27)	100,000.00	100,000.00	185,657.16
Other Expenses (Note 28)	150,061.51	204,694.44	2,522,855.49
All Other Disbursements:			
Net Purchases (Proceeds) in Ancillary Security Deposits (Note 29)	306.25	(650.60)	275,474.34
Total Disbursements	3,505,993.10	11,908,163.46	69,635,613.68
Net Decrease in Impaired Assets	0.00	0.00	(662,114.85)
Increase in Encumbered Cash Accounts (Note 30)	42,441.52	80,588.10	1,597,396.72
Recovery of Special Deposits	0.00	0.00	2,446,123.86
Security Amortization for the Period	5,911.09	13,779.99	(132,241.99)
Ending Cash & Invested Assets (Note 1)	41,593,095.40	41,593,095.40	41,593,095.40

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, 2007

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 07/01/07	45,054,593.36
Net Increase in Cash and Invested Assets (Unencumbered)	4,016,833.74
Net Increase in Cash and Invested Assets (Encumbered)	42,441.52
Net decrease in Non Cash Assets (Encumbered)	<u>(320,671.65)</u>
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/07	<u><u>48,793,196.97</u></u>

Unencumbered Cash & Invested Assets	Ending Balance 6/30/2007	Ending Balance 12/31/2007
Note 1 Cash and Invested Assets		
Unencumbered Cash & Invested Assets		
Cash	28,431.88	90,690.71
Repurchase Agreements	35,184,000.00	39,526,000.00
Bonds at Amortized Value	757,089.08	369,044.29
Talcoff Notch-Other Structured Securities	1.06	1.06
Common Stock	120.00	120.00
Short Term Investments	9,282.92	9,902.62
Total Unencumbered Cash & Invested Assets	35,978,924.94	39,995,758.68
Encumbered Cash Assets	1,554,895.20	1,597,336.72
Total Cash & Invested Assets (Note 1)	37,533,820.14	41,593,095.40
Encumbered Non Cash Assets:		
Statutory Deposits (A)	7,520,773.22	7,200,101.57
Total Cash and Invested Assets and Non Cash Assets	45,054,593.36	48,793,196.97

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 (06/30/07)	PAR Value (12/31/07)
ID	CDA0010973 (Formally CDA007508/8571)	Wells Fargo	283,410.19	289,760.97
ID	CDA009496	Wells Fargo	3,845.08	3,845.08
GA	Money Market - Matured Proceeds	Wachovia Bank, N.A.	38,436.99	B 41,414.56 B
GA	912827S86-Matured Proceeds	Wachovia Bank, N.A.	60,000.00	B 60,000.00 B
GA	912828BE9-Matured Proceeds	Wachovia Bank, N.A.	40,000.00	B 40,000.00 B
MA	912828BU3-Matured Proceeds (not replaced as of 06/30/07)	State Street Bank	340,000.00	B 340,000.00 B
MA	912828CF5-Matured Proceeds (not replaced as of 06/30/07)	State Street Bank	100,000.00	B 100,000.00 B
MA	912828DN7-Matured Proceeds (not replaced as of 06/30/07)	State Street Bank	750,000.00	B 750,000.00 B
AR	912828E29 - Various Matured Proceeds Put Into 1 Security	Bank of America	510,000.00	B 510,000.00 B
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 (Formally 957526AA4)	State Street Bank	500,000.00	500,000.00
MA	912828EP1 (Formally 912828BL3)	State Street Bank	420,000.00	420,000.00
LA	912828BT6 (Formally 912828EP1)	Hibernia Trust	70,000.00	70,000.00
MA	575827ELO	State Street Bank	755,000.00	755,000.00
ME	560551CA9	Key Trust Co./ McDonalds Invest.	200,000.00	200,000.00
CA	CD - Matured Proceeds	Bank of America	40,000.00	B 40,000.00 B
CA	CD - Matured Proceeds	Bank of America	25,000.00	B 25,000.00 B
FL	341422JT1 - Matured Proceeds	First Union Nat'l. Bank	115,000.00	B 115,000.00 B
FL	912827W65 - Matured Proceeds	First Union Nat'l. Bank	110,000.00	B 110,000.00 B
NC	Money Market - Matured Proceeds	Wachovia Bank, N.A.	655,356.59	B 655,356.59 B
AZ	912827V66 - Matured Proceeds	BNY Western Trust Co.	110,000.00	B 110,000.00 B
AZ	912827G6 - Matured Proceeds	BNY Western Trust Co.	50,000.00	B 50,000.00 B
NM	Money Market - Matured Proceeds	The Bank of Santa Fe Trust	65,000.00	B 65,000.00 B
NM	Money Market - Matured Proceeds	The Bank of Santa Fe Trust	200,000.00	B 200,000.00 B
VA	921827V66 - Matured Proceeds	Sun Trust	210,000.00	B 210,000.00 B
VA	912827L83- Matured Proceeds	SunTrust	25,000.00	B 25,000.00 B
OR	912827G6 - Matured Proceeds	US National Bank	330,000.00	B - C
NM	912827L83 - Matured Proceeds	The Bank of Santa Fe Trust	70,000.00	B 70,000.00 B
OK	679087AG1 - Matured Proceeds	Bank One	305,000.00	B 305,000.00 B
DE	Money Market - Matured Proceeds	Mellon Bank	119,724.37	B 119,724.37 B
SC	912827L83- Matured Proceeds	Wachovia Bank, N.A.	-	C - C
NV	912828CD0 (Formally 912828AL4)	National City Bank	-	D - D
SC	912828AB6 - Matured Proceeds	Wachovia Bank, N.A.	-	C - C
MI	912827V66 - Matured Proceeds	Bank One, Michigan	-	C - C
			<u>7,520,773.22</u>	<u>7,200,101.57</u>

Note B The various named Ancillaries kept the matured proceeds and have not reinvested them to our knowledge. They will stay in the account at their matured values until otherwise notified by the corresponding Ancillary office.

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 matured proceeds of the Nevada deposit were released to the liquidator and the funds are currently being invested in short term repurchase agreements. The Nevada IGA had previously requested the release of these funds to the IGA and the liquidator is in current discussions with the Nevada IGA regarding the status of these funds.

Note 2	<u>Interest Income</u>	
	Interest on Bonds	11,475.00
	Interest Paid on Bonds	(1,103.79)
	Accrued Discount on Bonds	1,044.12
	Interest on Repurchase Agreements	844,270.14
	Interest on Bonds Held as Statutory Deposit	120,539.89
	Int-Other Invested Assets	619.70
		<u>976,845.06</u>
Note 3	<u>Premiums Collected</u>	
	Receipt of Uncollected Premium	193,427.24
	California Commercial Ins. Services - Recovery of proceeds from the sale of assets.	200.00
	Truckwriters Inc. Settlement	164,164.28
	Cascade Gen Ins Agency Settlement - Recovery of proceeds from the sale of assets	8,151.34
		<u>365,942.86</u>
Note 4	<u>Reinsurance Recoveries</u>	
	Hurst Holmes Ins Co./Mission Linen Supply LOC #NZ3350528DD Drawdown	1,549,200.00
	Hurst Holmes Ins Co/Appalachian U/W LOC Drawdown	100,000.00
	CNA Reinsurance Co.	176,679.37
	Minnesota WCRA	15,097.24
	Medical Reinsurance Co. - Odyssey Re	318,343.45
	Medical Reinsurance Co. - Signet Re	223,833.67
	Mississippi Workers Comp. Assigned Risk Pool -Refund of Assessments	6,632.00
	Federal Insurance Co.	236,185.76
	Western Regional Captive - Pacific Secured Equities LOC# 10088	117,500.00
		<u>2,743,471.49</u>
Note 5	<u>Salvage & Subrogation</u>	
	Reimbursement of Paid Claims - Regional Restaurant Co.	10,601.45
	Salvage & Subrogation	38,663.58
		<u>49,265.03</u>
Note 6	<u>Recovery of IRS Tax Refunds</u>	
	Recovery of CGIC's share of PRS/CGIC 2000 IRS Tax Refund	318,220.55
		<u>318,220.55</u>
Note 7	<u>Recovery from Settlement Agreements</u>	
	Grant Thornton Settlement	3,000,000.00
		<u>3,000,000.00</u>
Note 8	<u>Recovery from Directors and Officers</u>	
	John Boyko	1,000.00
		<u>1,000.00</u>
Note 9	<u>Proceeds from the Closure of Ohio General Ins Co. - Prepaid Operating Expenses</u>	
	Ohio General Ins Company - Hold Back Expenses - Salaries Other & ODI Billings	7,625.39
	Ohio General Ins Company - Hold Back Expenses - Rent on Leased Properties	609.54
	Ohio General Ins Company - Hold Back Expenses - Tax Preparation Form 990	2,205.00
	Ohio General Ins Company - Hold Back Expenses - Tax Preparation Prompt Assessment	4,590.00
	Ohio General Ins Company - Hold Back Expenses - Audit Fees	2,711.06
	Ohio General Ins Company - Hold Back Expenses - Legal Fees	11,451.37
	Ohio General Ins Company - Hold Back Expenses - Consulting Fees	9,000.00
		<u>38,192.35</u>
Note 10	<u>Transfer of Funds from CGIC Cash Collateral to CGIC Operating</u>	
	Recovery of Repo Interest on Pacific Secured Equities LOC # 10088	17,417.22
		<u>17,417.22</u>
Note 11	<u>Other Income</u>	
	Ohio Dept of Commerce - Recovery of Unclaimed Funds	779.63
	Intercompany Income-Equipment Income	4,914.35
	Intercompany Reimbursement of Expenses from Prior Period	867.21
		<u>6,561.19</u>
Note 12	<u>Salaries</u>	
	Chief Deputy Liquidator Salary	30,902.54
	Deputy Liquidator Salaries	99,222.42
	Employee Salaries	662,257.54
		<u>792,382.50</u>
Note 13	<u>Employee Benefits</u>	
	Salaries 401K Employer Contribution	17,480.05
	Employee Insurance Benefits	55,248.16
	Employee Relations Other	1,045.41
		<u>73,773.62</u>
Note 14	<u>Payroll & Other Taxes</u>	
	Workers Compensation Insurance	1,732.67
	State Unemployment Tax	162.50
	Federal Unemployment Tax	60.39
	FICA Tax	54,806.77
		<u>56,762.33</u>

Note 15 Legal Fees

Special Counsel	
Dinsmore & Shohl LLP	217,305.00
Kegler Brown Hill & Ritter	242,540.58
Tribler Orpett & Meyer PC	130,055.00
Subtotal Special Counsel Legal Fees	589,900.58
Legal Expenses	
Dinsmore & Shohl LLP	6,387.11
Kegler Brown Hill & Ritter	10,865.67
Tribler Orpett & Meyer PC	6,659.08
Subtotal Special Counsel Legal Expenses	23,911.86
Total Legal Fees and Expenses	613,812.44

Note 16 Consulting Fees and Other Outside Contracts

ADP - Payroll Processing	1,304.09
Alber Crafton PSC - Claims Consultant	3,095.65
Bulmer Hammock & Company - Accounting Consultants	121,716.14
Digital Controls - IT Consultants	16,448.51
Dinsmore & Shohl LLP - Monthly Extranet Services	10,168.00
Glenn Cornett - Claims Consultant	23,760.00
Jamie Mason - Accounting Consultant	31,203.94
Kathleen McCain - Legal Consultant	205,077.42
KB Resolutions - Reinsurance Consultant	20,812.50
Kegler Brown Hill & Ritter - Various Third-Party Legal Consultants - Agents Litigations	29,584.98
Klm Burnside - POC Admin. Consultant	1,210.84
Logan and Soiteau, LLC - Legal Consultants	901.28
LS Consulting LLC - Accounting Consultants	438,814.00
Lynda Loomis - Reinsurance Consultant	104.87
Madison Consulting Group - Actuarial Consultants	175,928.58
Paragon Reinsurance Risk- Reinsurance Consultant	303,527.52
Pluschau Consultants - Accounting Consultants	34,141.37
Price Waterhouse Coopers - Tax Consultants	11,734.00
RadcliffesLeBrasseur - Legal Consultant	660.00
Setdepo Inc - Legal Deposition	2,043.61
Steven B Squires - Legal Consultant	5,336.00
Steven M Schroeder - Reinsurance Consultant	8,298.53
Sharp and Associates - Legal Consultant	22,030.94
Thomas P Clarke- Claims Consultant	55,641.84
	1,523,524.61

Note 17 Accounting Fees

Schneider Downs & Co., Inc.	7,102.93
	7,102.93

Note 18 Rent & Rent Items

Rent on Leased Properties	72,917.68
Rent - Other	59.25
Utilities - Gas/Electric	16,016.24
Janitorial Service	7,325.94
Furniture Fixture & Equipment Rent	15,940.94
	112,160.05

Note 19 Equipment Expense (Includes Furniture and Fixtures Expense)

ADT Security Services (Includes keycard activity)	389.56
Custom Air	565.74
Gordon Flesch Co Inc - Copier Maintenance	3,268.68
	4,223.98

Note 20 Travel & Travel Items

Liquidation Employees - Travel & Accommodation	8,923.31
Liquidation Employees - Meals	742.36
	9,665.67

Note 21 Postage, Freight, Internet, and Telephone

Postage	5,034.45
Express & Freight	1,061.96
Telephone and Fax	8,513.69
Internet	1,289.94
	15,899.94

Note 22 Office Supply Expense

Office Expense	9,856.64
	9,856.64

Credit General Insurance Company, in Liquidation
 Liquidation Date: January 5, 2001
 Notes to Statement of Cash Receipts and Disbursements
 Cumulative From 1/5/01 to 12/31/07

Note 23	Data Processing		
	Computer Maintenance	702.80	
	Computer Supplies	950.50	
	Computer Software Lease	12,445.81	
		<u>14,099.11</u>	
Note 24	Investment Expense		
	Various Custodial Fees	860.90	
		<u>860.90</u>	
Note 25	Return of Funds Received in Error		
	Transfer of LMI Salvage/Subrogation funds paid in error to CGIC on 1/8/02	4,640.00	
	Transfer of Repo Interest earned on LMI S&S funds held since 1/8/02	787.18	
		<u>5,427.18</u>	
Note 26	Transfer of funds to CGIC Cash Collateral		
	Transfer of 1/2 half of Regional Restaurant Equipment Recovery due to Reliance Involvement	5,300.73	
	Transfer of 1/2 half of C. Meinken Bankruptcy Recovery (Regional Restaurant) due to Reliance	10,772.73	
		<u>16,073.46</u>	
Note 27	Settlement Expense		
	Settlement expense - KPMG and KPMG Barbados	100,000.00	
		<u>100,000.00</u>	
Note 28	Other Expenses		
	Intercompany A/R due to CGIC	1,431.33	
	Collection Agency Fees - Premiums and Unearned Commissions	43,247.72	
	Training & Seminars	400.63	
	Advertising/Publication	274.98	
	Insurance - Building Liability	2,381.78	
	Professional Liability Insurance	30,592.33	
	Registration and Dues	633.50	
	Furniture & Equipment - Non Capitalized Purchases	670.42	
	Books & Periodicals	1,045.77	
	Contract Printing	148.86	
	Moving Expense - Pan-L-Tek	34.03	
	IRS User Fee for Private Letter Ruling	8,700.00	
	Temporary Help	32,187.57	
	Copying Projects	4,034.42	
	Copying Projects - Millnet	13,051.95	
	Copying Projects - Mound Cotton Wollan and Greengrass	9,959.86	
	Misc Court Costs	1,239.00	
	Miscellaneous Expenses	27.38	
		<u>150,061.51</u>	
All Other Disbursements			
Note 29	Net Proceeds/Purchases in Ancillary Security Deposits		
	Net Change in Replacement Cost of Matured LA Ancillary Security	306.25	
		<u>306.25</u>	
Note 30	Encumbered Cash Accounts (Cumulative)		
	Cash Collateral:		
	Reliance Insurance Collateral Account - Subrogation Recoveries	17,543.88	
	Reliance Insurance Collateral Account - Bonds Issued (added)	16,193.67	
	Unified Staffing & Associates LOC Drawdown	29,120.28	
	Distribution Services LOC Drawdown	16,627.22	
	Pacific Secured Equities LOC Drawdown Beginning Balance @ 7/1/07	134,046.91	
	Interest earned on Pacific Secured Equities LOC 7/1/07 - 8/17/07	870.31	
	Pacific Secured Equities LOC Drawdown	<u>(134,917.22)</u>	
	Total in Cash Collateral Account		79,485.05
	TTC Cash Collateral		1,213,507.79
	Oregon Special Deposits Proceeds		304,342.88
	CGIC/PRS Bankruptcy Trust:		
	Trust Balance @ 1/1/07	1.00	
	Wire transfers received by CGIC/PRS Trust for IRS tax refund - 6/1/07	10,247,341.91	(See Note 7)
	Interest Earned on CGIC/PRS IRS tax Refund 6/01-6/11/07	9,962.69	(See Note 2)
	CGIC portion of IRS tax refund transferred to Operating with Interest	(5,190,196.12)	(See Note 7)
	PRS Trustee portion of IRS tax refund transferred to PRS w/interest	(4,615,787.07)	(See Note 25)
	CGIN portion of IRS tax refund transferred to CGIN w/interest	<u>(451,321.41)</u>	(See Note 26)
	Total in CGIC/PRS Bankruptcy Trust		1.00
			<u>1,597,336.72</u>