

IN THE COURT OF COMMON PLEAS  
FRANKLIN COUNTY, OHIO

Mary Taylor, Ohio Superintendent of Insurance, in her Capacity as Liquidator of Credit General Insurance Company and Credit General Indemnity Company,	:	
	:	
Plaintiff,	:	Case No. 00 CVH 11-9867
	:	
v.	:	Judge Mark Serrott
	:	
Credit General Insurance Company, et al.,	:	
	:	
Defendants.	:	
	:	
	:	

**MOTION FOR THE APPROVAL OF LIQUIDATOR’S PERIODIC ACCOUNTING  
FOR CREDIT GENERAL INSURANCE COMPANY  
FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013**

Plaintiff, Mary Taylor, Ohio Superintendent of Insurance in her capacity as Liquidator of Credit General Insurance Company (“CGIC”) requests this Court for an Order approving CGIC’s Statement of Receipts and Disbursements of the Liquidator for the period January 1, 2013 through June 30, 2013, as set forth in the attached Exhibit A. A Memorandum in Support is attached.

Respectfully submitted,

MIKE DEWINE  
Attorney General of Ohio

By Special Counsel:  
KOHRMAN, JACKSON & KRANTZ, PLL

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*Attorney for Mary Taylor, in her capacity as Liquidator of  
Credit General Insurance Company*

**MEMORANDUM IN SUPPORT**

The Liquidator brings this motion to request that this Court approve CGIC's Statement of Receipts and Disbursements of the Liquidator for the period of January 1, 2013 through June 30, 2013 (the "Statement"). The Statement is described and set forth in the attached Exhibit A.

By Order of this Court entered on December 12, 2000, the Ohio Superintendent of Insurance was appointed Liquidator of CGIC 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, 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 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 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, the Liquidator has made required changes since 2008 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.

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 January 1, 2013 through June 30, 2013, as set forth in the attached Exhibit A.

Respectfully submitted,

MIKE DEWINE  
Attorney General of Ohio

By Special Counsel:  
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/s/ Valoria C. Hoover

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

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and accurate copy of the foregoing *Motion for Approval of the Liquidator's Periodic Accounting* was posted on the Liquidator's website ([www.ohliq.com](http://www.ohliq.com)) substantially contemporaneous with the filing of this *Motion*. The undersigned hereby certifies that a true and accurate copy of the foregoing Motion was emailed to the persons on the attached Credit General Insurance Company Courtesy Copy E-Mail List and served upon the following via Regular Mail, postage prepaid, on this 31st day of July, 2013:

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

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

Wayne D. Wilson  
Executive Director  
CA Insurance Guarantee Assn.  
P.O. Box 29066  
Glendale, CA 91209-9066

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

**COURTESY COPY E-MAIL LIST**

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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 JUNE 30, 2013

	Current Period 1/1/2013 TO 6/30/2013	Year to Date TO 6/30/2013	Cumulative From 1/5/2001
Beginning Cash & Invested Assets (Note 1)	108,180,344.53	108,180,344.53	18,679,219.65
Receipts:			
Interest Income (Note 2)	75,911.42	75,911.42	9,819,798.11
Premiums Collected	0.00	0.00	21,272,221.85
Recovery of Statutory Deposit (Note 4)	329,077.61	329,077.61	1,199,728.99
Production of Document Income	0.00	0.00	350.25
Reinsurance Recoveries (Note 6)	982,419.28	982,419.28	123,041,118.01
Salvage & Subrogation (Note 5)	4,187.84	4,187.84	4,290,507.89
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	10,565,562.46
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 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	775,173.60
Insurance Recovery-Theft of Computers/Equipment	0.00	0.00	1,972.33
Recoveries from Settlement Agreements (Note 3)	1,163,317.19	1,163,317.19	12,947,042.99
Proceeds from the Sale of Assets (Note 8)	784.28	784.28	120,358.84
Refund of Premium Taxes & Assessments	0.00	0.00	257,592.82
Refund of General Operating Expenses	0.00	0.00	24,668.57
Proceeds from Closed Accounts	0.00	0.00	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 7)	30,933.33	30,933.33	2,478,708.27
Transfer of Funds from CGIC\Cash Collateral to CGIC Operating	0.00	0.00	1,984,545.75
Other Income (Note 9)	3,618.29	3,618.29	296,419.49
<b>Total Receipts</b>	<b>2,590,249.24</b>	<b>2,590,249.24</b>	<b>207,376,851.35</b>

CREDIT GENERAL INSURANCE COMPANY, IN LIQUIDATION  
LIQUIDATION DATE JANUARY 5, 2001  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
CUMULATIVE FROM JANUARY 5, 2001 TO JUNE 30, 2013

	Current Period 1/1/2013 TO 6/30/2013	Year to Date TO 6/30/2013	Cumulative From 1/5/2001
<b>Disbursements:</b>			
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
<b>Compensation</b>			
Salaries (Note 10)	463,521.81	463,521.81	16,755,260.75
Employee Benefits (Note 11)	59,596.91	59,596.91	1,703,919.30
Payroll & Other Taxes (Note 12)	43,287.18	43,287.18	1,104,365.40
<b>Professional Fees</b>			
Legal Fees (Note 13)	11,504.06	11,504.06	17,049,398.89
Consulting Fees and Other Outside Contracts (Note 14)	58,079.64	58,079.64	32,445,675.65
Ohio Dept of Insurance-Examiner Fees	0.00	0.00	172,035.72
Tax Preparation and Audit Fees (Note 15)	3,700.00	3,700.00	377,460.89
<b>Other Expenses of Administration of Company and its Property:</b>			
Rent & Rent Items (Note 16)	217,432.56	217,432.56	3,154,792.23
Maintenance/Repair Facility & FF&E (Note 17)	686.51	686.51	172,050.00
Travel & Travel Items (Note 18)	1,241.14	1,241.14	806,790.04
Postage, Freight, Internet, and Telephone (Note 19)	8,491.86	8,491.86	499,160.23
Office Supply Expense (Note 20)	460.16	460.16	137,156.55
Data Processing (Note 21)	20,605.98	20,605.98	494,567.66
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)	2,350.39	2,350.39	94,250.53
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	0.00	0.00	4,471,695.56
Warehouse Consolidation Project Expenses	0.00	0.00	92,016.28
Moving and Relocation Expense	0.00	0.00	149,292.12
Reorganization & Consolidation of Files/Records/Documents (Note 23)	920.10	920.10	34,122.33
Other Expenses (Note 24)	11,589.57	11,589.57	3,118,934.31
<b>All Other Disbursements:</b>			
Net Purchases (Proceeds) in Ancillary Security Deposits (Note 26)	99,894.89	99,894.89	367,857.91
Interim Distribution to Insurance Guaranty Associations (Note 25)	4,004,988.65	4,004,988.65	28,837,476.96
Federal Income Tax	0.00	0.00	13,586.00
<b>Total Disbursements</b>	<b>5,008,351.41</b>	<b>5,008,351.41</b>	<b>123,294,385.64</b>
Net Decrease in Impaired Assets	0.00	0.00	(652,235.91)
Increase (Decrease) in Encumbered Cash Accounts (Note 27)	(1,548,879.41)	(1,548,879.41)	0.00
Recovery of Special Deposits (Note 28)	1,020,000.00	1,020,000.00	3,466,123.86
Security Amortization for the Period	38,934.82	38,934.82	(293,275.54)
<b>Ending Cash &amp; Invested Assets (Note 1)</b>	<b>105,272,297.77</b>	<b>105,272,297.77</b>	<b>105,272,297.77</b>

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 JANUARY 1, 2013 THROUGH JUNE 30, 2013**

**SCHEDULE A**

<b>Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 01/01/13</b>	<b>112,423,587.16</b>
Net Decrease in Cash and Invested Assets (Unencumbered)	(1,359,167.35)
Net Decrease in Cash and Invested Assets (Encumbered)	(1,548,879.41)
Net Decrease in Non Cash Assets ( Encumbered)	<u>(1,263,347.74)</u>
<b>Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 06/30/13</b>	<b><u>108,252,192.66</u></b>

## Unencumbered Cash &amp; Invested Assets

Note 1	Cash and Invested Assets	Ending Balance 12/31/2012	Ending Balance 6/30/2013
Unencumbered Cash & Invested Assets			
	Cash	7,059.68	20,925.73
	Petty Cash	300.00	679.16
	Money Market Funds	12,480,011.74	2,833,106.55
	Bonds at Amortized Value	53,769,093.70	102,167,586.33
	Custodian	40,125,000.00	0.00
	Certificates of Deposit	250,000.00	250,000.00
	<b>Total Unencumbered Cash &amp; Invested Assets</b>	<b>106,631,465.12</b>	<b>105,272,297.77</b>
	<b>Encumbered Cash Assets</b>	<b>1,548,879.41</b>	<b>0.00</b>
	<b>Total Cash &amp; Invested Assets (Note 1)</b>	<b>108,180,344.53</b>	<b>105,272,297.77</b>
	<b>Encumbered Non Cash Assets:</b>		
	Statutory Deposits (A)	4,243,242.63	2,979,894.89
	<b>Total Cash and Invested Assets and Non Cash Assets</b>	<b>112,423,587.16</b>	<b>108,252,192.66</b>

**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 (12/31/12)	PAR Value (6/30/13)	B/C
ID	Money Market - Matured Proceeds	Wells Fargo	15,000.00	15,000.00	B/C
GA	Money Market - Matured Proceeds	Wachovia Bank, N.A.	42,931.49	-	B
GA	912827S86-Matured Proceeds	Wachovia Bank, N.A.	60,000.00	-	B
GA	912828BE9-Matured Proceeds	Wachovia Bank, N.A.	40,000.00	-	B
MA	912828BU3-Matured Proceeds (not replaced as of 12/31/11)	State Street Bank	340,000.00	340,000.00	
MA	912828CF5-Matured Proceeds (not replaced as of 12/31/11)	State Street Bank	100,000.00	100,000.00	
MA	912828DN7-Matured Proceeds (not replaced as of 12/31/11)	State Street Bank	750,000.00	750,000.00	
DOL	9127956X4 (Formally 912828MM9)	Federal Reserve Bank	820,000.00	-	F
DOL	912796AW9 (Formally 9127956X4)	Federal Reserve Bank	200,000.00	99,894.89	F
MA	912828EF3-Matured Proceeds (not replaced as of 12/31/11)	State Street Bank	500,000.00	500,000.00	
MA	912828EP1-Matured Proceeds (not replaced as of 12/31/11)	State Street Bank	420,000.00	420,000.00	
MA	575827ELD-Matured Proceeds (not replaced as of 12/31/11)	State Street Bank	755,000.00	755,000.00	
ME	Money Market - Matured Proceeds	Key Trust Co / McDonalds invest.	200,311.14	-	B
AR	912828CE8- Matured Proceeds (note replaced as of 12/31/11)	Bank of America	-	-	B
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	912827W65 - 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	912827V66 - Matured Proceeds	BNY Western Trust Co.	-	-	B
AZ	9128272G6 - Matured Proceeds	BNY Western Trust Co.	-	-	B
NM	Money Market - Matured Proceeds	The Bank of Santa Fe Trust	-	-	B/E
VA	921827V66 - 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 (Formally 912828AL4)	National City Bank	-	-	D
SC	912828AB6 - Matured Proceeds	Wachovia Bank, N.A.	-	-	C
MI	912827V66 - Matured Proceeds	Bank One, Michigan	-	-	C
			<b>4,243,242.63</b>	<b>2,979,894.89</b>	

**Note 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.

**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.

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 \$89,323.99 was used by ID to reimburse 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 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.

**Note F** The note held for the Department of Labor was released to the Liquidator in the amount of \$1,020,000.00. A new note with a value of \$99,894.89 was sent to the Department of Labor.

<b>Note 2</b>	<b><u>Interest Income</u></b>	
	Interest on Bonds	102,879.99
	Interest Paid on Bonds	(28,470.20)
	Interest on Bonds Held as Statutory Deposit	1,262.98
	Interest on Certificates of Deposit	143.84
	Interest on JPM Chase MMF	94.81
		<u>75,911.42</u>
<b>Note 3</b>	<b><u>Recoveries from Settlement Agreements</u></b>	
	TTC Settlement	1,163,317.19
		<u>1,163,317.19</u>
<b>Note 4</b>	<b><u>Refund of Special Deposits</u></b>	
	Released from the State of Oregon (Held in Collateral Account at JPM)	192,977.48
	Released from the State of Maine	136,100.13
		<u>329,077.61</u>
<b>Note 5</b>	<b><u>Salvage and Subrogation Recoveries</u></b>	
	Capital Safety	4,187.84
		<u>4,187.84</u>
<b>Note 6</b>	<b><u>Reinsurance Recoveries</u></b>	
	Kinsale Limited Brokers - AXA/Lloyds/London & Edinburgh	736,763.21
	Trenwick Reinsurance - Settlement	225,000.00
	WCRA Reinsurance	20,656.07 *
		<u>982,419.28</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.		
<b>Note 7</b>	<b><u>Recovery Under High Deductible Policies</u></b>	
	CSI - Service Master	30,933.33
		<u>30,933.33</u>
<b>Note 8</b>	<b><u>Proceeds from the Sale of Assets</u></b>	
	Sale of Office Furniture	784.28
		<u>784.28</u>
<b>Note 9</b>	<b><u>Other Income</u></b>	
	3Q2012 FICA Refund	1,043.11
	Misc. Interest	96.07
	Equipment Income	2,479.11
		<u>3,618.29</u>
<b>Note 10</b>	<b><u>Salaries</u></b>	
	Chief and Deputy Liquidator Salaries	170,842.06
	Employee Salaries	292,679.75
		<u>463,521.81</u>
<b>Note 11</b>	<b><u>Employee Benefits</u></b>	
	Salaries 401K Employer Contribution	12,388.64
	Employee Insurance Benefits	40,654.83
	Employee Related Expenses - Other	6,553.44
		<u>59,596.91</u>
<b>Note 12</b>	<b><u>Payroll &amp; Other Taxes</u></b>	
	Workers Compensation Insurance	1,261.28
	State Unemployment Tax	7,728.03
	Federal Unemployment Tax	528.75
	FICA Tax	33,769.12
		<u>43,287.18</u>
<b>Note 13</b>	<b><u>Legal Fees</u></b>	
	<b><u>Attorney General Legal Fees</u></b>	
	Carlile Patchen & Murphy LLP	772.61
	Kohrman Jackson & Krantz PLL	2,362.50
	<b>Subtotal Attorney General Legal Fees</b>	<u>3,135.11</u>
	<b><u>Non-Attorney General Legal Fees</u></b>	
	Mauro C. Casci	1,395.95
	<b>Subtotal Non-Attorney General Legal Fees</b>	<u>1,395.95</u>
	<b><u>Non-Attorney General Legal Expenses</u></b>	
	Soileau & Associates	6,973.00
	<b>Subtotal Non-Attorney General Legal Expenses</b>	<u>6,973.00</u>
	<b>Total Attorney General and Non-Attorney General Legal Fees and Expenses</b>	<u>11,504.06</u>

<b>Note 14</b>	<b><u>Consulting Fees and Other Outside Contracts</u></b>	
	ADP - Payroll Processing	2,145.04
	Inpoint Services - Reinsurance Consultant	16,059.51
	Kinsale Brokers Limited - Reinsurance Consultants	31,750.00
	Rasp Consulting - IT Consultant	8,125.09
		<u>58,079.64</u>
<b>Note 15</b>	<b><u>Tax Preparation and Audit Fees and Expenses</u></b>	
	Maloney & Novotny LLC - 2012 Form 1120 Separation Fees	3,700.00
	<b>Total Tax Preparation and Audit Fees and Expenses</b>	<u>3,700.00</u>
<b>Note 16</b>	<b><u>Rent &amp; Rent Items</u></b>	
	Rent on Leased Properties	214,412.00
	Trash and Recycling	1,223.20
	Furniture Fixture & Equipment Rent	1,797.36
		<u>217,432.56</u>
<b>Note 17</b>	<b><u>Maintenance/Repair Facility &amp; FF&amp;E</u></b>	
	Gordon Flesch Co Inc	394.26
	Precision Roller - Printer Parts	26.65
	CDW Direct LLC - Wireless Keyboard	70.56
	Five Star Plumbing	195.04
		<u>686.51</u>
<b>Note 18</b>	<b><u>Travel &amp; Travel Items</u></b>	
	Travel & Accommodation	1,069.60
	Meals	171.54
		<u>1,241.14</u>
<b>Note 19</b>	<b><u>Postage, Freight, Internet, and Telephone</u></b>	
	Postage	1,467.25
	Express & Freight	215.91
	Telephone and Fax	2,412.48
	Internet	4,396.22
		<u>8,491.86</u>
<b>Note 20</b>	<b><u>Office Supply Expense</u></b>	
	Office Expense	460.16
		<u>460.16</u>
<b>Note 21</b>	<b><u>Data Processing</u></b>	
	Computer Maintenance	1,312.72
	Computer Supplies	310.72
	Software Expense-Purchase/Maintenance	18,982.54
		<u>20,605.98</u>
<b>Note 22</b>	<b><u>Banking and Investment Expense</u></b>	
	Banking and Investment Expense	2,350.39
		<u>2,350.39</u>
<b>Note 23</b>	<b><u>Reorganization &amp; Consolidation of Files/Records/Documents</u></b>	
	Office Supplies	396.79
	Travel Expense (reorganization/consolidation of files)	54.51
	Storage Retrieval - Truck Rental	468.80
		<u>920.10</u>
<b>Note 24</b>	<b><u>Other Expenses</u></b>	
	Insurance - Building Liability	7,674.10
	Registration & Dues	577.43
	Record Destruction	2,692.20
	Contract Printing	645.84
		<u>11,589.57</u>
<b>Note 25</b>	<b><u>Interim Distribution to Insurance Guaranty Associations</u></b>	
	Early Access - 3rd Interim Class 1 Distribution	4,004,988.65
		<u>4,004,988.65</u>
<b>Note 26</b>	<b><u>Net Purchases of Ancillary Security</u></b>	
	Department of Labor - Replacement sent to Department of Labor CU# 912796AW9	99,894.89
		<u>99,894.89</u>

**Note 27 Encumbered Cash Accounts (Cumulative)**

**TTC Cash Collateral:**

Beginning Balance at 1-1-13	1,238,445.79
Interest earned for the period	38.08
Amount released to CGIC per TTC settlement	<del>(1,188,317.18)</del>
Amount released to CGIN per TTC settlement	<del>(75,166.88)</del>
Ending balance at 6-30-13	<u>0.00</u>

**Oregon Special Deposits Proceeds**

Beginning Balance at 1-1-13	310,433.62
Interest earned for the period	14.27
Special Deposit released to the Oregon Insurance Guaranty Assoc. (IGA) in payment of Class 2 claims	<del>(17,499.41)</del>
Special Deposit released to CGIC per WC Class 2 claims settlement with Oregon IGA	<del>(38,877.88)</del>
Ending balance at 6-30-13	<u>0.00</u>

**Note 28 Recovery of Special Deposits**

Department of Labor - Receipt of T-Bill CU# 912796AN9	1,020,000.00
	<u>1,020,000.00</u>