

**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.	:	Case No. 00CVH12-11391
	:	
Proliance Insurance Company,	:	Judge Julie M. Lynch
	:	
Defendant.	:	

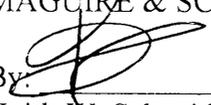
**NOTICE OF FILING OF CASH REPORTS AND MOTION FOR APPROVAL OF
ACCOUNTING FOR THE PERIOD OF JANUARY 1, 2008 TO JUNE 30, 2008**

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 January 1, 2008 through June 30, 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,

NANCY H. ROGERS
Attorney General of Ohio

By Outside Counsel:
MAGUIRE & SCHNEIDER, LLP

By: 

Keith W. Schneider (0041616)
Wayne E. Hassay (0055360)
250 Civic Center Drive, Suite 500
Columbus, Ohio 43215
Telephone: 614.224.1222
Facsimile: 614. 224.1236
kwschneider@ms-lawfirm.com
whassay@ms-lawfirm.com

Attorneys for Mary Jo Hudson, in her capacity as
Liquidator of Proliance Insurance Company

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 January 1, 2008 through June 30, 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.

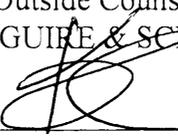
As part of the liquidation, the Liquidator is also required by Ohio Revised Code § 3903.18(E) to periodically account to the Court at such intervals as approved by the Court. This Court approved a schedule for semi-annual accounting in this case on December 2, 2002, and also ordered that its review and 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 January 1, 2008 through June 30, 2008. For the convenience of the Court, a prepared Journal Entry has been submitted with this Motion.

Respectfully submitted,

NANCY H. ROGERS
Attorney General of Ohio

By Outside Counsel:
MAGUIRE & SCHNEIDER, LLP

By:  _____

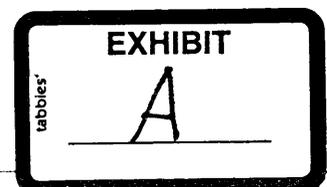
Keith W. Schneider (0041616)
Wayne E. Hassay (0055360)
250 Civic Center Drive, Suite 500
Columbus, Ohio 43215
Telephone: 614.224.1222
Facsimile: 614. 224.1236
kwschneider@ms-lawfirm.com
whassay@ms-lawfirm.com

Attorneys for Mary Jo Hudson, in her capacity as
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 JUNE 30, 2008

	Current Period 1/1/2008 TO 6/30/2008	CUMULATIVE FROM 4/24/2001
Beginning Cash & Invested Assets (Note 1)	456,864.95	735,773.36
Receipts:		
Interest Income (Note 2)	8,901.35	120,575.16
Unearned Commissions Collected	0.00	1,122.96
Salvage & Subrogation (Note 3)	770.00	109,897.21
Reinsurance Recoveries (Note 4)	472,776.61	819,870.80
Recovery from Unclaimed Funds	0.00	389.50
Proceeds from Allenbrook Settlement	0.00	200,000.00
Recovery of Preference Payments	0.00	238,816.88
Return of Payroll Taxes from Paychex Processing Co	0.00	1,753.95
Refund from 2000 Ohio Fire Marshall Tax	0.00	3,234.90
Recovery from Officers and Employees	0.00	360.53
Uncashed Preliquidation Checks	0.00	36,139.68
Proceeds from the Sale of Assets	0.00	20,080.00
Refund Bureau of Workers Comp	0.00	192.01
Proceeds from Settlement Agreement-Gluck Ins. Company and The Cincinnati Insurance Companies	0.00	40,000.00
Other Income	0.00	85.00
Total Receipts	482,447.96	1,592,518.58
Disbursements:		
Celina Reinsurance Payment	0.00	53,936.86
GMAC Rein Prmt on Ceded Post-Liq Salvage & Subrogation	0.00	1,021.44
Compensation		
Salaries (Note 5)	10,166.57	339,134.27
Employee Benefits (Note 6)	1,183.85	29,087.85
Payroll and Other Taxes (Note 7)	770.57	27,214.81
Professional Fees:		
Accountants Fees (Note 8)	879.56	26,477.52
Legal Fees (Note 9)	1,177.75	112,901.83
Consulting Fees and Other Outside Contracts (Note 10)	998.64	100,763.16
Ohio Department of Insurance - Examiner Hours	0.00	13,606.15
Other Expenses of Administration of Company and its Property:		
Rent and Rent Items (Note 11)	2,258.11	44,028.44
Equipment Expenses (Note 12)	17.28	1,411.49
Travel and Travel Items (Note 13)	61.18	3,362.75
Postage, Freight and Telephone (Note 14)	70.63	5,777.31
Office and Computer Supply Expense (Note 15)	219.43	4,319.36
Moving and Relocation Costs (Note 16)	541.81	541.81
Other Expenses (Note 17)	412.63	39,011.04
All Other Disbursements:		
Interim Distribution to Insurance Guaranty Associations	0.00	603,897.00
Total Disbursements	18,758.01	1,406,493.09
Security Amortization for the Period	0.00	(1,243.95)
Ending Cash & Invested Assets (Note 1)	<u>920,554.90</u>	<u>920,554.90</u>

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 January 1, 2008 through June 30, 2008

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 1/1/08	456,864.95
Increase in Cash and Invested Assets (Unencumbered)	<u>463,689.95</u>
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 6/30/08	<u><u>920,554.90</u></u>

Proliance Insurance Company, in Liquidation
 Liquidation Date April 24, 2001
 Notes to Statement of Cash Receipts and Disbursements
 For the Period January 1, 2008 through June 30, 2008

	Beginning Balance 01/01/08	Ending Balance 06/30/08
Note 1 <u>Cash and Invested Assets</u>		
Unencumbered Cash & Invested Assets		
Cash	5,864.95	25,554.90
Bonds	0.00	0.00
Repurchase Agreements	451,000.00	895,000.00
Stock	0.00	0.00
Short Term Investments	0.00	0.00
	<u>456,864.95</u>	<u>920,554.90</u>
Total Unencumbered Cash & Invested Assets		
	<u>456,864.95</u>	<u>920,554.90</u>
Encumbered Non Cash Assets		
Statutory Deposits (C)	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Total Encumbered Non Cash Assets		
	<u>0.00</u>	<u>0.00</u>
Total Cash and Invested Assets and Non Cash Assets		
	<u>456,864.95</u>	<u>920,554.90</u>
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.		
Note 2 <u>Interest Income</u>		
Interest on Repurchase Agreements	8,901.35	
	<u>8,901.35</u>	
Note 3 <u>Salvage & Subrogation</u>		
Kreiner & Peters Co LPA	650.00	
Nathaniel & Lisa A Pool	120.00	
	<u>770.00</u>	
Note 4 <u>Reinsurance Recoveries</u>		
Gen Reinsurance Corp	472,776.61	
	<u>472,776.61</u>	
Disbursements:		
Note 5 <u>Salaries</u>		
Chief Deputy Liquidator	350.39	
Deputy Liquidators	1,529.48	
Employee Salaries	8,286.70	
	<u>10,166.57</u>	
Note 6 <u>Employee Benefits</u>		
Salaries 401K Employer Contribution	204.62	
Employee ins Benefits	973.28	
Employee Relations Other	5.95	
	<u>1,183.85</u>	
Note 7 <u>Payroll & Other Taxes</u>		
Workers Compensation Insurance	38.20	
State Unemployment Tax	41.71	
Federal Unemployment Tax	22.47	
FICA	668.19	
	<u>770.57</u>	
Note 8 <u>Accounting Fees</u>		
Schneider Downs & Company	879.56	
	<u>879.56</u>	
Note 9 <u>Legal Fees</u>		
Special Counsel		
Maguire & Schneider LLP	1,107.00	
	<u>1,107.00</u>	
Legal Counsel		
Kegler, Brown, Hill & Ritter	19.16	
	<u>19.16</u>	
Total Legal Fees	<u>1,126.16</u>	
Legal Expenses		
Maguire & Schneider LLP	51.50	
Kegler, Brown, Hill & Ritter	0.09	
Total Legal Expenses	<u>51.59</u>	
Total Legal Fees & Expenses	<u>1,177.75</u>	
Note 10 <u>Consulting Fees and Other Outside Contracts</u>		

Proliance Insurance Company, In Liquidation
 Liquidation Date April 24, 2001
 Notes to Statement of Cash Receipts and Disbursements
 For the Period January 1, 2008 through June 30, 2008
 Outside Data Processing:

Automatic Data Processing	26.42
Total Outside Data Processing	<u>26.42</u>

Consulting Fees

Digital Controls - IT Consultant	62.73
Glenn Cornett - Claims Consultant	605.00
KB Resolutions-Reinsurance Consultant	2.26
Kim Burnside-POC Admin. Consultant	153.18
Kreiner & Peters-Subro Collections	11.20
1099 Connection	1.63
TEKSystems - IT Consultant	<u>136.22</u>
Total Outside Contracts	<u>972.22</u>

Total Consulting Fees and Contracts	<u><u>998.64</u></u>
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Note 11 **Rent & Rent Items**

Rent on Leased Properties	1,682.66
Utilities - Gas/Electric	327.20
Janitorial Service	49.70
Furniture & Equipment Rent Copier & Computer	<u>198.55</u>
	<u><u>2,258.11</u></u>

Proliance Insurance Company, In Liquidation
 Liquidation Date April 24, 2001
 Notes to Statement of Cash Receipts and Disbursements
 For the Period January 1, 2008 through June 30, 2008

Note 12	<u>Equipment Expenses (Includes Furniture & Fixture Expense)</u>	
	Furniture, Fixtures & Equip Maintenance & Repair	17.28
		<u>17.28</u>
Note 13	<u>Travel & Travel Items</u>	
	Travel-Accom. Transportaion	54.03
	Travel Expenses and Meals	7.15
		<u>61.18</u>
Note 14	<u>Postage, Freight and Telephone</u>	
	Postage	7.03
	Express & Freight	0.16
	Office Telephone and Fax	50.15
	Internet	13.29
		<u>70.63</u>
Note 15	<u>Office & Computer Supply Expense</u>	
	Office Supplies	54.10
	Computer Maintenance	136.91
	Computer Supplies	25.06
	Computer Software Lease	3.36
		<u>219.43</u>
Note 16	<u>Moving and Relocation Costs</u>	
	Advanced Technology Integrators-IT Relocation of Phone System	23.76
	FFE Non Capital items	1.58
	Commercial Work-Move Planning/Expenses	468.71
	Critical Power Services Inc-IT Relocation of Backup System	10.81
	Liquidation Office Travel Expense and Meals	2.10
	Liquidation Office Miscellaneous Expense	0.22
	MicroMen-IT Network Labor	1.12
	Republic Waste-Trash/Dumpster	7.30
	Scioto Businss Forms-Pre-printed envelopes	1.07
	Turner Green Buildings(Columbus Downtown Dev)-Building Redevelopment	25.14
		<u>541.81</u>
Note 17	<u>Other Expenses</u>	
	Training & Seminars	17.11
	Employment Fees	5.97
	Advertising/Publications	2.20
	Insurance - Building Liab.	69.01
	Registration and Dues	17.05
	FF&E Non-Capital Item	(0.33)
	Books & Periodicals	16.23
	Contract Printing	3.09
	Moving Expense	35.97
	Temporary Help	24.72
	Misc Expense	0.94
	Salvage & Subrogation Legal Expense and Collection Fees	220.67
		<u>412.63</u>