

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, 2009 through June 30, 2009. 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.

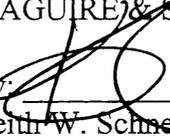
As part of the liquidation, the Liquidator is also required by Ohio Revised Code § 3903.18(E) to periodically account to the Court at such intervals as approved by the Court. This Court approved a schedule for semi-annual accounting in this case on December 2, 2002, and also ordered that its review and 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, 2009 through June 30, 2009. For the convenience of the Court, a prepared Journal Entry has been submitted with this Motion.

Respectfully submitted,

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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 JUNE 30, 2009

	Current Period 1/1/2009 TO 6/30/2009	YTD 1/1/2009 TO 6/30/2009	CUMULATIVE FROM 4/24/2001
Beginning Cash & Invested Assets (Note 1)	909,377.85	909,377.85	735,773.36
Receipts:			
Interest Income (Note 2)	1,999.06	1,999.06	133,353.02
Unearned Commissions Collected	0.00	0.00	1,122.96
Salvage & Subrogation (Note 3)	705.00	705.00	112,010.75
Reinsurance Recoveries	0.00	0.00	819,870.80
Intercompany Reimbursement of Expenses from Prior Period	0.00	0.00	32.80
Recovery from Unclaimed Funds	0.00	0.00	389.50
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 4)	0.40	0.40	20,082.28
Refund Bureau of Workers Comp	0.00	0.00	192.01
Proceeds from Settlement Agreement-Gluck Ins. Company	0.00	0.00	40,000.00
Other Income (Note 5)	2.00	2.00	87.00
Total Receipts	2,706.46	2,706.46	1,607,447.06
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)	7,753.98	7,753.98	354,301.85
Employee Benefits (Note 7)	1,257.38	1,257.38	31,421.33
Payroll and Other Taxes (Note 8)	621.33	621.33	28,326.65
Professional Fees:			
Accountants Fees (Note 9)	304.00	304.00	31,943.98
Legal Fees	0.00	0.00	113,276.08
Consulting Fees and Other Outside Contracts (Note 10)	2,830.85	2,830.85	104,789.61
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 11)	2,493.41	2,493.41	48,029.41
Maintenance/Repair: Facility & FF&E (Note 12)	49.37	49.37	1,474.29
Travel and Travel Items (Note 13)	67.45	67.45	3,505.73
Postage, Freight and Telephone (Note 14)	44.09	44.09	5,868.63
Office Supply and IT Expenses (Note 15)	93.06	93.06	4,483.45
Moving and Relocation Costs	0.00	0.00	551.60
Warehouse Consolidation Project Expenses (Note 16)	148.78	148.78	148.78
Banking and Investment Expense (Note 17)	253.41	253.41	253.41
Other Expenses (Note 18)	307.66	307.66	40,447.82
All Other Disbursements:			
Interim Distribution to Insurance Guaranty Associations	0.00	0.00	603,897.00
Total Disbursements	16,224.77	16,224.77	1,441,284.07
Security Amortization for the Period	0.00	0.00	(6,076.81)
Ending Cash & Invested Assets (Note 1)	895,859.54	895,859.54	895,859.54

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



Proliance Insurance Company, In Liquidation
 Liquidation Date April 24, 2001
 Notes to Statement of Cash Receipts and Disbursements
 For the Period January 1, 2009 through June 30, 2009

Note 1	<u>Cash and Invested Assets</u>	Beginning Balance 01/01/09	Ending Balance 06/30/09
Unencumbered Cash & Invested Assets			
	Cash	59,159.32	43,641.75
	Bonds	0.00	0.00
	Investment in Sub/Affiliates	0.00	0.00
	Repurchase Agreements	0.00	0.00
	Money Market	850,218.53	852,217.59
	Short Term Investments	0.00	0.00
	Total Unencumbered Cash & Invested Assets	<u>909,377.85</u>	<u>895,859.34</u>
Encumbered Non Cash Assets			
	Statutory Deposits (C)	0.00	0.00
	Total Encumbered Non Cash Assets	<u>0.00</u>	<u>0.00</u>
	Total Cash and Invested Assets and Non Cash Assets	<u>909,377.85</u>	<u>895,859.34</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 Interest Income

Interest - JPMC Money Market	1,999.06
	<u>1,999.06</u>

Note 3 Salvage & Subrogation

Kreiner & Peters Co LPA	625.00
Nathaniel & Lisa A Pool	80.00
	<u>705.00</u>

Note 4 Proceeds from the Sale of Assets

Sale of Office Furniture	0.40
	<u>0.40</u>

Note 5 Other Income

Refund of Auction Advertising Costs	2.00
	<u>2.00</u>

Disbursements:

Note 6 Salaries

Chief Deputy Liquidator	611.98
Deputy Liquidators	858.43
Employee Salaries	6,283.57
	<u>7,753.98</u>

Note 7 Employee Benefits

Salaries 401K Employer Contribution	182.46
Employee Ins Benefits	951.95
Employee Related Expense- Other	122.97
	<u>1,257.38</u>

Proliance Insurance Company, In Liquidation
Liquidation Date April 24, 2001
Notes to Statement of Cash Receipts and Disbursements
For the Period January 1, 2009 through June 30, 2009

Note 8 Payroll & Other Taxes

Workers Compensation Insurance	22.44
State Unemployment Tax	37.30
Federal Unemployment Tax	12.68
FICA	548.91
	<u>621.33</u>

Note 9 Accounting Fees

Schneider Downs & Company	304.00
	<u>304.00</u>

Note 10 Consulting Fees and Other Outside Contracts
Outside Data Processing:

Automatic Data Processing	22.16
1099 Connection	2.92
Total Outside Data Processing	<u>25.08</u>

Consulting Fees

Glenn Cornett - Claims Consultant	2,805.00
Kim Bumside-POC Admin. Consultant	0.77
Total Outside Contracts	<u>2,805.77</u>

Total Consulting Fees and Contracts	<u>2,830.85</u>
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Note 11 Rent & Rent Items

Rent on Leased Properties	2,265.53
Utilities - Gas/Electric	52.65
Trash & Recycling	6.44
Janitorial Service	0.07
Furniture & Equipment Rent Copier & Computer	168.72
	<u>2,493.41</u>

Note 12 Maintenance/Repair: Facility & FF&E

ABCO Fire Protection	20.98
Carl Zipf Lock Shop	0.64
Columbus Time Recorder	0.38
Gordon Flesch	13.75
Hall's Maintenance Service	0.06
Prologis - 3769 Interchange	13.56
	<u>49.37</u>

Note 13 Travel & Travel Items

Travel-Accom. Transportaion	64.70
Travel Expenses and Meals	2.75
	<u>67.45</u>

Note 14 Postage, Freight and Telephone

Postage	3.30
Express & Freight	0.25
Office Telephone and Fax	28.96
Internet	11.58
	<u>44.09</u>

Proliance Insurance Company, In Liquidation
 Liquidation Date April 24, 2001
 Notes to Statement of Cash Receipts and Disbursements
 For the Period January 1, 2009 through June 30, 2009

Note 15 Office Supply & IT Expenses

Office Supplies	42.66
Computer Maintenance	39.02
Computer Supplies	6.94
Computer Software Lease	4.44
	<u>93.06</u>

Note 16 Warehouse Consolidation Project Expenses *

Liquidation Employees Travel Expense - Mileage Reimbursement	3.34
Office Supplies - Boxes & Labels	14.68
Trash & Recycling Expenses	49.54
Maintenance/Repair: Facility & FFE (3769 Interchange)	50.18
HVAC Move Out Inspection Fees (Prologis - 3769 In)	29.79
Moving Expense (Gordon Flesch)	1.25
	<u>148.78</u>

* To reduce administrative expenses and conserve estate assets for the benefit of policyholders and claimants, the Liquidator elected not to renew at 6/30/2009 three (3) warehouse leases. Rather, the Liquidator repaired and re-shelved the one (1) remaining warehouse to hold records required for the ongoing administration of the liquidation proceedings. Simultaneously, the Liquidator undertook a review of all records stored in the four (4) warehouses to determine which records of the insolvent companies should be retained for future reference which should be placed in offsite storage, and which were no longer useful. Pursuant to R.C. 3903.48, the Liquidator sought court orders from the courts supervising the liquidation proceedings to destroy records that were determined to be no longer useful. The Liquidator also moved approximately 100,000 boxes of records Fireproof Records Center to be held until such time as they may be destroyed pursuant to records destruction schedules approved by the courts. The Liquidator estimates that the results of this warehouse consolidation will reduce overhead expenses attributable to the closed warehouse by approx. \$169,000/year and achieve more expeditious closing of an estate.

Note 17 Banking and Investment Expense

Banking and Investment Expense	253.41
	<u>253.41</u>

Note 18 Other Expenses

Training & Seminars	7.38
Insurance - Building Liability	74.52
Registration and Dues	3.32
FF&E Non-Capitalized Item	3.48
Contract Printing	2.79
401K Plan Expenses (Pan-L-Tek)	7.14
Moving Expense	0.64
Misc Expense	0.06
Salvage & Subrogation Collection Fees	208.33
	<u>307.66</u>