

“Treatment of Undeliverable Notices” set forth in the Application (App. pp. 24-25), along with the Application itself, on November 16, 2012.

II. Phase 1 - Current Status of Takeover and Stabilization (App. pp. 10-12).

1. Policyholder and Agent Inquiries

Since filing the Application, the Rehabilitator received approximately 20 telephone calls and 10 emails from policyholders and agents. Most callers asked general questions aimed at confirming that they did not need to take any action in order to receive the proposed payment. Others questioned the reasons for HVIC’s failure. One policyholder who is experienced in insurance matters called to express support for the Plan’s treatment of policyholders.

The Rehabilitator promptly responded to all phone calls and emails. All issues were favorably resolved. The Rehabilitator then updated the Answers to Frequently Asked Questions (“FAQs”) to include answers to some common questions asked by policyholders and agents in order to assist the policyholders, agents and other creditors of HVIC with understanding the rehabilitation process.

2. Identification and Takeover of all HVIC Assets and Property (App. pp. 10-11)

A. Banking Matters

The Rehabilitator worked with Wells Fargo Bank N.A. Institutional Retirement and Trust Division to reconcile and pay final bank fees on HVIC’s Institutional accounts (*i.e.*, HVIC’s operating account and special deposit accounts), which were closed shortly after the filing of the Application.

The Rehabilitator also worked with Wells Fargo Bank N.A. Commercial Banking Division, which administers HVIC’s ACH and Merchant Card Services connected with HVIC’s premium collection. The Rehabilitator ensured that the Commercial Banking Division took no action to terminate the HVIC ACH and Merchant Card Services and that it held open the HVIC commercial

bank accounts until instructed by the Rehabilitator. The Rehabilitator ensured that the Commercial Banking Division understood the proposed Rehabilitation Plan's provisions for the cancellation of the Merchant Processing Agreement with Wells Fargo Merchant Services, L.L.C. upon approval of the Rehabilitation Plan.

The Rehabilitator also worked with the Commercial Banking Division to reconcile the HVIC premium collection and commercial bank accounts after the August 31, 2012 Rehabilitation Date.

B. HVIC Insurance License Matters, Statutory Deposits and Coordination with Various Insurance Departments

The Rehabilitator worked with the Texas Department of Insurance and the Texas Comptroller's Office to fulfill all requirements for the cancellation of HVIC's Texas insurance license and return of the U.S. Treasury Note representing HVIC's Texas Statutory Deposit. This included the submission of various Rehabilitator affidavits, the filing of various informational returns and tax returns, and the payment of various taxes and fees. The Texas Department of Insurance released the U.S. Treasury Note (the Texas Statutory Deposit) to the Rehabilitator on October 1, 2012. On October 11, 2012, the Rehabilitator deposited \$500,951.74 in proceeds from the sale of the U.S. Treasury note in the Rehabilitator's HVIC operating account at JP Morgan Chase Bank in Columbus, Ohio (the "HVIC Columbus Account"). (App. p. 11).

The Rehabilitator also complied with similar filing and financial requirements of the Oregon Department of Insurance following its October 12, 2012 Order suspending HVIC's Oregon insurance license. The Rehabilitator continues to work with the Oklahoma Department of Insurance, which has also ordered the suspension of HVIC's insurance license, to confirm all requirements for the cancellation of HVIC's Oklahoma insurance license.

Following Rehabilitation Plan approval, the Rehabilitator will complete all filings required to cancel HVIC's licenses in Arizona, Indiana, Georgia, Louisiana, Ohio, Oklahoma and Oregon, and take all necessary steps to achieve release of HVIC's \$25,000 Georgia Statutory Deposit.

C. Federal Release Application

On October 1, 2012, the Rehabilitator submitted a standard request to the U.S. Department of Justice ("DOJ") requesting the release of all federal claims, if any, against HVIC. The DOJ confirmed that the Rehabilitator's application is under review, but that the release cannot be issued prior to the distribution to Plan Policyholders and creditors and the planned closure of the HVIC rehabilitation at year-end 2012. The Rehabilitator will reserve limited authority in the final closing order to file the federal release for court-approval upon receipt in 2013.

D. Home Value Protection, Inc.'s Secured Creditor Notification

On October 9, 2012, the Rehabilitator received notice from HVIC's parent company, Home Value Protection, Inc. ("HVP"), and HVP's secured creditor, TriplePoint Capital LLC, of TriplePoint Capital LLC's security interest in all amounts payable to HVP under the proposed Rehabilitation Plan (the "Plan Payments")². With HVP's written consent, the Rehabilitator will remit all Court-approved Plan Payments owing HVP to TriplePoint Capital LLC, Attn: Kevin Thorne, 2755 Sand Hill Rd., Suite 150, Menlo Park, CA 94025, at the appropriate times.

3. Stabilization of HVIC's Remaining Operations (App. p. 12)

The three (3) remaining employees of HPV who were retained to assist the Rehabilitator's staff resigned no later than September 19, 2012, either as a result of completing their work for the Rehabilitator or finding new employment. (App. p. 12).

² The payments include payments to HVP pursuant to the Administrative Services Agreement dated June 24, 2011 between HVP and HVIC discussed more fully in the Rehabilitator's Application, and payments to HVP as HVIC's sole shareholder.

4. Current Assessment of HVIC's Assets, Liabilities and Financial Condition (App. pp. 13-17).

The Application contained HVIC's assets and liabilities as of August 31, 2012, and the Rehabilitator's assessment of HVIC's financial condition as of September 27, 2012. The Rehabilitator has now prepared her own Rehabilitation Financial Statement as of November 13, 2012, which includes her assessment of HVIC's assets and liabilities as explained below. *See* Supp. Exhibit A-1 attached and incorporated herein by reference. Supp. Exhibit A-2 is the Rehabilitator's updated list of liabilities as of November 13, 2012. The Rehabilitation Plan in this case contemplates payment of the liabilities as set forth in Supp. Exhibit A-2 pursuant to the priority distribution scheme set forth in R.C. 3903.42.

A. Rehabilitator's Assessment of HVIC's Assets as of November 13, 2012

Bonds: \$0.00

The Rehabilitator recovered the Ohio and Texas Statutory Deposits, the proceeds of which are included in the Short-term investments account.

Cash: \$43,661.21

This asset is comprised of \$3,298.41 cash is held in the HVIC Columbus Account and \$40,362.80 cash held in the Wells Fargo Bank Commercial Account.

Short-Term Investments: \$2,491,002.21

These funds are invested through the Rehabilitator's HVIC JP Morgan Chase Money Market Fund (U.S. Government MM – Capital Fund #3164).

Uncollected Premiums: \$29,682.96

This asset is the premium due from HVIC's policyholders through the end of 2012. The premiums collected in September, 2012 total \$5,244.48. Under the proposed Rehabilitation Plan,

the remaining balance of the premium receivable would not be collectible and will be written-off upon approval of the Rehabilitation Plan. (App. p. 20, and App. footnote 7)

WFB – Merchants Reserves: \$7,144.14

This asset pertains to the reserve account established in connection with the Wells Fargo Merchant Processing Agreement. The Rehabilitator's Application requests that this Court order the cancellation of the Merchant Processing Agreement with Wells Fargo Merchant Services, L.L.C., and direct Wells Fargo Merchant Services Risk Management Department to remit the collateral reserve account to the Rehabilitator within five (5) days of the Rehabilitator's notice to Wells Fargo Merchant Services, L.L.C., of approval of the Rehabilitation Plan. The Rehabilitator does not know the amount of the reserve account the bank will remit. (App. pp. 24 - 25)

Accrued Investment Income: \$0.00

The Rehabilitator received \$5,181.42 in accrued interest recorded on HVIC's 8/31/2012 financials as part of the Ohio and Texas Statutory Deposits released to the Rehabilitator.

Commissions Receivable: \$0.00

HVIC stated on its 8/31/2012 financials that it has a \$2,715 commission receivable. The Rehabilitator determined that \$353.00 of this sum is recorded in error due to agents' disputes. The Rehabilitator collected a total of \$357.90 of the \$2,714.48 commission receivable at 8/31/2012. The remaining \$2,356.94 is written off as uncollectible. (App. p. 11)

Restricted – Statutory Deposits: \$25,000.66

The Rehabilitator expects to receive the release of this Statutory Deposit from the Georgia Department of Insurance.

B. Rehabilitator's Assessment of HVIC's Liabilities as of November 13, 2012

Proposed Plan Payments to Policyholders: \$220,121.38

This liability is detailed on App. Exhibit C and will accrue upon approval of the Rehabilitation Plan. (App. pp. 20-25)

Unearned Premiums: \$39,356.59

This liability pertains to the unearned premiums as of 8/31/2012. HVIC policyholders in general paid their monthly premium in advance. (App. pp. 18 – 20, and App. footnotes 6 -7) Premium collection was suspended upon the September 28, 2012 Application filing in order to avoid unnecessary expense. By the time of the November 16, 2012 hearing to approve or disapprove the proposed Rehabilitation Plan, there will be no unearned premium because it is fully earned under the proposed Rehabilitation Plan.

Payable to Parent: \$438,453.86

This liability is comprised of unpaid intercompany pre-rehabilitation contract billing due to the parent company HVP (\$422,663.65) as of August 31, 2012, and \$15,790.21 total post-rehabilitation wages and employer payroll taxes for services requested by and performed for the Rehabilitator for the period 9/14/2012 through 9/20/2012. These sums will be disbursed to TriplePoint Capital LLC upon approval of this Rehabilitation Plan.

Taxes, Licenses & Fees: \$3,156.38

The HVIC adjusted liabilities for state premium taxes, licenses and fees are currently as follows: Ohio (\$1,516.08), Georgia (\$623.46), Oklahoma (\$756.84), Oregon (\$50.00), Louisiana (\$185.00), and Indiana (\$25.00).

Other Liabilities: \$31,277.54

The other liabilities primarily consist of \$30,665.44 due to Orrick for pre-rehabilitation legal services rendered to HVIC, which will be paid to TriplePoint Capital LLC upon approval of this Rehabilitation Plan. In addition, HVIC owes Wells Fargo Bank \$532.00 in post-rehabilitation fees

and \$80.10 to Deluxe for Business for the post-rehabilitation purchase of HVIC Rehabilitation check stock.

III. Phase 2 - Current Status of the Rehabilitation Plan

1. Pay All Administrative Expenses of Rehabilitation (App. pp. 18-19)

As contemplated by Ohio Rev. Code. 3903.14(A) and the Agreed Order Appointing Rehabilitator, fees and expenses incurred by the Rehabilitator in the administration of this rehabilitation are paid directly from the assets of HVIC as those expenses were incurred. *See also* Ohio Rev. Code 3903.42(A) (distribution priority statute defining costs and expenses of administration as Class 1 claims). Supp. Exhibit B-1 attached and incorporated herein by reference, is an accounting of HVIC's rehabilitation expenses paid from September 1, 2012 through November 13, 2012. This supplements what the Rehabilitator reported to the Court in her Application as paid from September 1, 2012 through September 24, 2012.

Supp. Exhibit B-2 attached and incorporated herein by reference is a schedule of the Rehabilitator's estimated administrative expenses after November 13, 2012 through the planned closing date, discussed further below. These expenses include primarily salaries for the Rehabilitator and professional fees for tax preparation and audit and OmniTI consulting fees. Many of these expenses were foreseeable, as reflected on Exhibit B-1 to the Application. The Rehabilitator believes these administrative expenses were necessary and in the best interest of the HVIC estate and the company's policyholders.

A. Rehabilitator's Reserve for Future Administrative Expenses (App. pp. 19-20, Exhibit B)

The Rehabilitator's September 28, 2012 Application set forth for planning purposes an estimate of the administrative fees and expenses expected to be incurred on and after September 24, 2012 for the ongoing administration of the HVIC rehabilitation and, if the Plan is approved on

November 16, 2012, for implementation of the Plan. The Application refers to the estimate as the “Reserve.” As referenced above, many of these expenses, including salaries and contracted services such as OmniTI, have been paid as they were incurred between the filing of the Application in September and today. The Rehabilitator’s updated current estimate for future administrative expenses incurred after November 13, 2012³ through the anticipated December 21, 2102 closing date and post-closing activities is set forth on Supp. Exhibit B-2 attached and incorporated herein by reference. The actual amount of the final Reserve for future administrative expenses will be determined at the time a final closing order is entered discharging the Rehabilitator and making other provisions to terminate this case.

These administrative expenses will continue to be paid as they are incurred from the HVIC Columbus Account until the HVIC estate is closed in December. Once the HVIC estate is closed, the corporate entity of HVIC will be dissolved under the Rehabilitation Plan. At that point, HVIC will not be capable of holding the HVIC Columbus Account, even though HVIC will incur and need to pay for certain administrative expenses after that time, including the expenses of preparing and filing a 2012 tax return in 2013. This is true of all closed estates. The Liquidator therefore closes the bank accounts upon closure of the estate and thereafter administers and accounts for the Reserve funds remaining at closing pursuant to the long standing Administrative Operating Procedure updated and approved on December 21, 2010 in *Taylor, Supt. of Ins. in her capacity as Liquidator v. LMI Ins. Co.*, Franklin C.P. Case No. 00CVH03-2431 (the “updated AOP”). The process set forth in the updated AOP for Closed Estates has been in place since the early 1990s. The process will require that, upon closure of HVIC’s bank accounts in December, the final Reserve will be prepaid

³ The updated Reserve is the original Reserve (App. p. 20, App. Exhibit B-2) less payments through November 13, 2012, plus additional salaries related to additional issues addressed and additional activities handled in HVIC’s rehabilitation that were not anticipated at the time of the Application filing.

to the LMI Insurance Company Liquidation Estate in exchange for that Estate's assumption and administration of the remaining administrative expense obligations of the HVIC Estate.

2. Commutation With Plan Policyholders (App. pp. 20-25)

A. Report of Notice to Plan Policyholders, HVIC Agents and all other Plan Participants

On October 1, 2012, this Court entered an Order approving the Rehabilitator's Form Notices of Rehabilitation Plan (the "Notices"), and directing the Rehabilitator to issue the Notices as provided in its Order. (*See also* App. p. 24). The Rehabilitator issued the Court-approved Notices regarding the Rehabilitator's proposed Rehabilitation Plan pursuant to the October 1, 2012 Order and the procedure set forth on pages 24 and 25 of the Application. No later than October 1, 2012, the Rehabilitator posted on the Rehabilitator's website, www.ohliq.com, under Open Rehabilitations – Home Value Insurance Co., a copy of the Rehabilitator's Motion for Order Approving Notices and Scheduling Hearing on the Rehabilitation Plan and on All Timely Objections ("Notice Motion"), including the Court-approved Notices and the October 1, 2012 Order Granting the Notice Motion and Setting the Hearing on November 16, 2012.

Two Notices to Plan Policyholders were returned to the Rehabilitator as undeliverable, notwithstanding that the Rehabilitator successfully mailed notice of the Rehabilitation Order to these same Plan Policyholders as recently as September 5, 2012.⁴ As provided in the Application, the Rehabilitator researched the Internet and other sources available to her to try to locate the Plan Policyholders. The Rehabilitator's further notice efforts were successful in notifying only one of the Plan Policyholders.⁵ Therefore, the Rehabilitator will present the other undeliverable Notice⁶ for hearing in this case on November 16, 2012, for purposes of seeking an order as contemplated by the

⁴ The Notices were returned as undeliverable to the Plan Policyholder owning Policy No. OK-4264999-P and the Plan Policyholder owning Policy No. OH-4266743-P.

⁵ The Notice to the Plan Policyholder owning Policy No. OK-4264999-P was delivered.

⁶ The Notice to the Plan Policyholder owning Policy No. OH-4266743-P is undeliverable.

Rehabilitation Plan allowing the payment set forth in the Application and resulting cancellation of the HVIC policy and authorizing the Rehabilitator to transfer the funds payable to this Plan Policyholder to the Ohio Department of Commerce Division of Unclaimed Funds for the benefit of the Plan Policyholder.

B. No Objections Received

The October 1, 2012 Order also established November 13, 2012 as the absolute final deadline for any person to file timely objections to the Notices or the proposed Rehabilitation Plan. As of 11:59 p.m. on November 13, 2012, no HVIC Plan Policyholder, HVIC Agent or any other creditor (all other Plan Participants) filed an objection to the Notices or the Rehabilitator's proposed Rehabilitation Plan. Therefore, the Rehabilitator will not present any objections at the hearing on November 16, 2012.

C. Status of Claims under HVIC Policies

The Application provides that Plan Policyholders may file claims for losses incurred under their HVIC policies prior to termination of their policies under the proposed Rehabilitation Plan. As of 11:59 p.m. on November 13, 2012, no policyholder submitted a policy claim, or notified the Rehabilitator that they intend to submit a policy claim. Accordingly, there are still no claims under HVIC policies for losses incurred.

3. Pay Creditors in Classes 3 to 6 under Ohio Rev. Code 3903.42 In Full (App. p.25)

As explained in the Application and above, the Rehabilitation Plan in this case is to pay all HVIC liabilities and claims pursuant to the distribution priority statute R.C. 3903.42. Exhibit C to the Application and Supp. Exhibit C identify all claims in Classes 3 through 6, as those Classes are

defined in R.C. 3903.42, which the Rehabilitator recommends for payment in full under the Rehabilitation Plan.⁷

As explained above, there are no claims for losses under HVIC policies and payments for unearned premium under the Rehabilitation Plan. Therefore, there are no Class 2 plan payments, as that class is defined in R.C. 3903.42 (B). The Rehabilitation Plan does not contemplate late-filed claims as defined in R.C. 3903.42 (G), which are Class 7 late-filed claims. HVIC had no surplus or contribution notes. Therefore, there are no Class 8 claims as defined in R.C. 3903.42 (H). Class 9 provides for the payment of interest on all claims in Classes 1 through 8 when the receiver declares an interest dividend. Here, the Rehabilitation Plan calls for immediate payment in full on the date the claims become due. Therefore, no interest is due any claimant in Classes 1 through 8.

Consistent with the treatment of Class 10 claims in other cases, the Rehabilitator will determine the value of the Class 10 shareholder claim, which will be distributed to TriplePoint Capital LLC, at the time the final closing order is entered.⁸ Only then can the Rehabilitator know with certainty the exact value of the surplus due the shareholder. The Rehabilitator plans to close the estate on or before December 21, 2012. Only at that time will the Rehabilitator know if she has secured additional assets, for example in the form of the release of the Georgia Statutory Deposit⁹, or incurred additional liabilities.

⁷ In this case, the Rehabilitator classifies the Rehabilitation Plan Payments to Plan Policyholders to commute their HVIC policies itemized on Exhibit C to the Application as Class 5 claims of general creditors as defined under R.C. 3903.42 (E).

⁸ The Class 10 shareholder distribution will be made by cashier's check.

⁹ There may be a potential additional Class 10 distribution after the close of the HVIC rehabilitation estate if the Georgia Statutory Deposit is returned after December 21, 2012. Any such additional surplus distribution would be net of any Georgia Department of Insurance charges/fees and the Rehabilitator's expenses (e.g., banking charges, etc.).

IV. Conclusion

For the reasons set forth throughout the September 28, 2012 Application, the Rehabilitator's Plan is fair and equitable to all concerned and not an abuse of the Rehabilitator's discretion. Therefore, this Court must approve the Rehabilitation Plan.

Respectfully submitted,

MIKE DEWINE
Attorney General State of Ohio

/s/ W. Scott Myers

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing *Supplemental Memorandum in Support of Application for Approval of the Rehabilitation Plan for Home Value Insurance Company* was posted on the Rehabilitator's website, www.ohliq.com, under Open Rehabilitations – Home Value Insurance Co. substantially contemporaneous with the filing of this Supplemental Memorandum and was served upon the following via facsimile and regular U.S. Mail, postage prepaid, on this 14th day of November, 2012:

Sharon C. Williams
 Trial Attorney
 Department of Justice
 Civil Division
 1100 L Street, N.W., Room 10016
 Washington, D.C. 20005
Attorneys for The United States of America

/s/ W. Scott Myers

 W. Scott Myers (0040686)

Home Value Insurance Company, in Rehabilitation

Balance Sheet

	<u>November 13, 2012</u>	<u>August 31, 2012</u>
Assets		
Cash and invested assets		
Bonds	\$ -	\$ -
Cash	43,661.21	1,600,106.86
Short-term investments	2,491,002.21	-
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Total cash and invested assets	2,534,663.42	1,600,106.86
Uncollected premiums	29,682.96	35,162.93
WFB - Merchants Reserves	7,144.14	6,404.94
Accrued investment income	-	5,181.42
Commissions receivable	-	2,714.84
Restricted - Statutory Deposits	25,000.66	1,037,137.95
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Total assets	\$ 2,596,491.18	\$ 2,686,708.94
Liabilities		
Proposed Plan Payments to Policyholders	\$ 220,121.38	\$ -
Unearned premiums	39,356.59	39,356.59
Payable to Parent	438,453.86	422,663.65
Taxes, licenses and fees	3,156.38	963.24
Other liabilities	31,277.54	52,373.75
	<hr/>	<hr/>
Total liabilities	\$ 732,365.75	\$ 515,357.23
Capital and deficit		
Common capital stock (net)	\$ 2,500,000.00	\$ 2,500,000.00
Aggregate write in for special surplus	10,952.26	10,952.26
Paid-in surplus	8,300,000.00	8,300,000.00
Unassigned surplus (deficit)	(8,946,826.83)	(8,639,600.55)
	<hr/>	<hr/>
Total capital and deficit	\$ 1,864,125.43	\$ 2,171,351.71
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Total liabilities and capital and deficit	\$ 2,596,491.18	\$ 2,686,708.94
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HOME VALUE INSURANCE COMPANY, in REHABILITATION
List of Liabilities
As of November 13, 2012

<u>Priority Status</u>	<u>Payee</u>	<u>Description</u>	<u>Amount</u>
Class 1	TriplePoint Capital LLC (Note 1)	HVIC-HVP Total wages (includes FICA) 9/14/12 to 9/20/12 final	\$ 15,790.21
Class 5	TriplePoint Capital LLC (Note 1)	Remaining unpaid Intercompany Billing	422,663.65
Class 5	TriplePoint Capital LLC (Note 1)	Orrick Legal Fees	30,665.44
Class 1	WellsFargo Bank	Bank fees Merchants Reserve and commercial account	532.00
Class 1	Deluxe For Business	HVIC Rehabilitation Check Stock	80.10
Class 6	OH Department of Insurance	Agent Termination Fee	955.00
Class 6	OH Department of Insurance	P & C Franchise Tax	561.08
Class 6	GA Department of Insurance	State Premium Tax	295.32
Class 6	GA Department of Insurance	County Municipal Tax	328.14
Class 6	OK Department of Insurance	State Premium Tax and Fees	756.84
Class 6	OR Department of Insurance	Fee for Surrender of Certificate of Authority	50.00
Class 6	LA Department of Insurance	State Premium Tax	185.00
Class 6	IN Department of Insurance	Fee for Surrender of Certificate of Authority	25.00
		Total Liabilities	\$ 472,887.78

Note 1: Per written consent of Home Value Protection, Inc. (HVP), all Plan Payments payable to HVP are to be remitted to TriplePoint Capital LLC.

HOME VALUE INSURANCE COMPANY, in REHABILITATION
Administrative Expenses Paid
From September 1, 2012 through November 13, 2012

Payee	Amount	Description
LMI Insurance Company (intercompany reimb)	\$ 50.00	Fee to withdraw Securities on Deposit with State of Texas
LMI Insurance Company (intercompany reimb)	25.00	Filing Fee for Cancellation of HVIC Surrendered License with State of Texas
Comptroller of Public Records	20.00	Other Tax Fee - Texas Form 25-102 regarding surrender of Texas License
Teledynamic Communications, Inc	402.55	Monthly charges affiliated with HVIC telephones
All Covered	2,950.00	09/2012 Network Administration
OmniTI Computer Consulting Inc	5,000.00	09/2012 Hosting Services - Fees
Ohio Insurance - Office of Risk Assessment	9,138.31	ODI Examiners Fee (Hugo, Vicky)
General Re-NEAM	6,250.00	7/1/2012-9/30/2012 Management Fee
UPS	23.58	Shipping Charge for HVIC records from SF to OH - 9/19/12
Deluxe for Business	208.13	HVIC Columbus Account - Checks, Deposit Tickets and Stamp
Deputy Rehabilitators Loomis and Horn	7,727.44	Deputy Rehabilitator Travel & Accom. HVIC Intake Exp
5 Liquidation Estates' Intercompany Alloc Reimb	26,305.15	HVIC Team Payroll Reimbursements
Subtotal - Paid Expenses Prior to 9.28.2012	\$ 58,100.16	
WellsFargo Bank	\$ 2,417.33	Commercial Accounts bank fees
Outside Data Processing (ADP)	\$ 8.77	Consulting Fees and Other Outside Contracts: Note 5
Outside Data Processing (OmniTI)	10,000.00	Consulting Fees and Other Outside Contracts: Note 5
Salaries Regular + Salaries Other	13,581.62	Salaries: Note 1
Employee Insurance Benefits	107.06	Employee Benefits: Note 2
Office Parking Expense	12.75	Employee Benefits: Note 2
Empl. Relations Other	2.41	Employee Benefits: Note 2
FICA Tax	710.21	Payroll and Other Taxes: Note 3
Trash & Recycling	0.47	Rent and Rent Items: Note 6
Postage	554.75	Postage, Freight, Telephone and Internet: Note 7
Express & Freight	51.21	Postage, Freight, Telephone and Internet: Note 7
Telephone & Telex	7.13	Postage, Freight, Telephone and Internet: Note 7
Internet - Internet Access	17.86	Postage, Freight, Telephone and Internet: Note 7
Banking fees and Investment Expense	60.03	Banking and Investment Expense: Note 8
Office Supplies	0.96	Other Expenses: Note 9
Maintenance / Repair - Facility and FF&E	2.03	Other Expenses: Note 9
Sub-total - 9.28.2012 - 11.13.2012 Paid Expenses	\$ 25,117.26	
Total Paid Administrative Expenses	\$ 85,634.75	

**HOME VALUE INSURANCE COMPANY, in REHABILITATION
RESERVE FOR FUTURE ADMINISTRATIVE EXPENSES
FOR THE PERIOD 11/14/2012 THROUGH CLOSE**

Compensation:		<u>Note</u>
Salaries	\$ 10,347.51	1
Employee Benefits	765.20	2
Payroll and Other Taxes	1,140.21	3
 Professional Fees:		
Tax Preparation and Audit Fees	2,000.00	4
Consulting Fees and Other Outside Contracts	3,004.38	5
 Other Expenses of Administration of Company and its Property:		
Rent and Rent Items	1,500.46	6
Postage, Freight, Telephone and Internet	592.09	7
Banking and Investment Expense	741.76	8
Other Expenses	253.94	9
 Ohio Department of Commerce Division of Unclaimed Funds	500.00	10
 PROJECTED ADMINISTRATIVE EXPENSES	<u><u>\$ 20,845.55</u></u>	

**HOME VALUE INSURANCE COMPANY, in REHABILITATION
 RESERVE FOR FUTURE ADMINISTRATIVE EXPENSES
 FOR THE PERIOD 11/14/2012 THROUGH CLOSE**

Note 1	<u>Salaries</u>		
	Chief Deputy and Deputy Rehabilitators	\$	10,347.51
		\$	10,347.51
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Note 2	<u>Employee Benefits</u>		
	Salaries 401K Employer Contribution	\$	646.55
	Employee Insurance Benefits		104.70
	Employee Related Expense - Other		13.95
		\$	765.20
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Note 3	<u>Payroll & Other Taxes</u>		
	Workers Compensation Insurance	\$	19.81
	FICA Tax		1,120.40
		\$	1,140.21
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Note 4	<u>Tax Preparation and Audit Fees</u>		
	Audit Fees (final audit)	\$	1,500.00
	Tax Return Preparation (2012 final)		500.00
		\$	2,000.00
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Note 5	<u>Consulting Fees and Other Outside Contracts</u>		
	OmniTI	\$	3,000.00
	ADP		4.38
		\$	3,004.38
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Note 6	<u>Rent & Rent Items</u>		
	Rent on Leased Properties - Office Space	\$	1,500.00
	Trash & Recycling		0.46
		\$	1,500.46
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Note 7	<u>Postage, Freight, Telephone and Internet</u>		
	Postage	\$	34.65
	Office Telephone and Fax		17.06
	Internet - Internet Access		540.38
		\$	592.09
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HOME VALUE INSURANCE COMPANY, in REHABILITATION
RESERVE FOR FUTURE ADMINISTRATIVE EXPENSES
FOR THE PERIOD 11/14/2012 THROUGH CLOSE

Note 8 Banking and Investment Expense

Banking and Investment Expenses	\$	741.76
	\$	741.76

Note 9 Other Expenses

Office Supplies	\$	1.92
Furniture, Fixtures & Equip and Facility		
Maintenance & Repair		2.02
Misc. Expenses		250.00
	\$	253.94

**Note 10 Ohio Department of Commerce - Division of
Unclaimed Funds**

Uncashed payments to Plan Policyholders	\$	500.00
	\$	500.00

20,845.55

HOME VALUE INSURANCE COMPANY, in REHABILITATION
Claims in Classes 3 to 6 under Ohio Rev. Code 3902.42 to be Paid in Full
As of November 13, 2012

<u>Priority</u> <u>Status</u>	<u>Payee</u>	<u>Description</u>	<u>Amount</u>
Class 5	Plan Policyholders	Rehabilitation Plan Payments	220,121.38
Class 5	Triple Point Capital LLC (Note 1)	Remaining unpaid Intercompany Billing	422,663.65
Class 5	Triple Point Capital LLC (Note 1)	Orrick Legal Fees	30,665.44
Class 6	OH Department of Insurance	Taxes, Licenses & Fees	1,516.08
Class 6	GA Department of Insurance	Taxes, Licenses & Fees	623.46
Class 6	OK Department of Insurance	Taxes, Licenses & Fees	756.84
Class 6	OR Department of Insurance	Taxes, Licenses & Fees	50.00
Class 6	LA Department of Insurance	Taxes, Licenses & Fees	185.00
Class 6	IN Department of Insurance	Taxes, Licenses & Fees	25.00