

CAUSE NO. D-1-GV-13-000204

<p>THE STATE OF TEXAS, Plaintiff</p> <p>v.</p> <p>SANTA FE AUTO INSURANCE COMPANY Defendant</p>	<p>§ § § § § § § § §</p>	<p>IN THE DISTRICT COURT OF</p> <p>TRAVIS COUNTY, TEXAS</p> <p>419th JUDICIAL DISTRICT</p>
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SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND
SUMMARY STATEMENT OF EXPENSES
(SEPTEMBER 1, 2014 THROUGH NOVEMBER 30, 2014)

TO THE HONORABLE DISTRICT COURT:

Cantilo & Bennett, L.L.P., solely in its capacity as the Special Deputy Receiver of Santa Fe Auto Insurance Company (the “SDR” and “SFAIC” respectively), files this Financial Report and Summary Statement of Expenses of the receivership estate for the period of September 1, 2014 to November 30, 2014. The attached report is filed pursuant to TEX. INS. CODE ANN., §§ 443.015(2)(g) and 443.016(a) and the Court's Order Approving the SDR's Application for Approval of Fees and Expenses, entered on May 8, 2013.

The Special Deputy Receiver has served this Quarterly Financial Report to all known parties at interest, as shown in the certificate of service.

Respectfully submitted,

FULLER LAW GROUP

By: /s/Christopher Fuller

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**ATTORNEY FOR CANTILO & BENNETT,
LLP, SPECIAL DEPUTY RECEIVER OF
SANTA FE AUTO INSURANCE COMPANY**

CERTIFICATE OF SERVICE

I certify that on December 15, 2014, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (SEPTEMBER 1, 2014 TO NOVEMBER 30, 2014) was served pursuant to the Order of Reference, the Court's order on e-service, the Texas Rules of Civil Procedure and the TEX. INS. CODE ANN. SEC. 443.007(d) on the following by electronic mail, except as specifically otherwise noted.

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**Santa Fe Auto Insurance Company
Statement of Expenses**

**For Period Ending
11/30/14**

	Total Sep	Total Oct	Total Nov	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	23,975.00	24,377.50	19,985.00	68,337.50
Partner/Attorney Travel	0.00	87.50	87.50	175.00
Partner/Attorney	1,382.50	1,872.50	420.00	3,675.00
Expenses	142.58	17.81	13.98	174.37
Total SDR Billing	25,500.08	26,355.31	20,506.48	72,361.87
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	7,280.00	5,660.00	11,120.00	24,060.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	7,280.00	5,660.00	11,120.00	24,060.00
Inquest Resources				
Paralegal	1,768.00	1,232.00	2,632.00	5,632.00
Receivership Specialist	5,122.50	5,452.50	3,502.50	14,077.50
Litigation Assistant/Records Mgr	171.00	99.00	292.50	562.50
Litigation Assistant/Records Mgr Travel	0.00	0.00	11.25	11.25
Clerical	381.00	108.00	726.00	1,215.00
Expenses	14.29	123.80	172.06	310.15
Total Billing	7,456.79	7,015.30	7,336.31	21,808.40
Total Legal Subcontractors	14,736.79	12,675.30	18,456.31	45,868.40
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	1,224.00	952.00	1,037.00	3,213.00
Senior Accountant	0.00	0.00	165.00	165.00
Accountant	2,441.50	2,565.00	2,441.50	7,448.00
Expenses	38.19	46.51	31.20	115.90
Total Billing	3,703.69	3,563.51	3,674.70	10,941.90
Abaci, Inc.				
Project Manager	1,026.00	807.50	171.00	2,004.50
Technical Analyst	1,368.00	387.00	2,925.00	4,680.00
Technical Analyst - Travel	148.50	72.00	243.00	463.50
Expenses	91.84	45.92	1,192.21	1,329.97
Total Billing	2,634.34	1,312.42	4,531.21	8,477.97
EMKAY Associates				
Claims Manager/	1,605.50	5,567.00	1,149.50	8,322.00
Claims Representative/	15,385.00	14,212.00	15,002.50	44,599.50
Claims Representative	2,201.50	5,363.50	7,480.00	15,045.00
Claims Representative Clerical	1,728.00	78.00	0.00	1,806.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	20,920.00	25,220.50	23,632.00	69,772.50
Balboa Services Ltd Co.				

Reinsurance Accountant	1,025.00	0.00	0.00	1,025.00
Reinsurance Accountant-Travel	31.25	0.00	0.00	31.25
Expenses	25.48	0.00	0.00	25.48
	1,081.73	0.00	0.00	1,081.73

Total Other SDR Subcontractors 28,339.76 30,096.43 31,837.91 90,274.10

Receivership Service Providers

Reinsurance Recoveries Service Provider-Tharp & Associates	22,875.00	0.00	18,375.00	41,250.00
James McCormack Expert Witness	0.00	0.00	5,000.00	5,000.00
Inventory/Storage Expenses	733.50	787.63	733.50	2,254.63
IT/Computer Fees	1,602.38	1,482.38	1,522.97	4,607.73
Mailing/Printing Expenses	170.16	164.16	122.83	457.15
Building/Utilities/Related Exp (Void of stale check)	0.00	(113.93)	0.00	(113.93)
Telephone	340.85	420.05	298.85	1,059.75
Operating Account	15.00	15.00	0.00	30.00
Texas Treasury	129.94	0.00	79.01	208.95
Total Other	25,866.83	2,755.29	26,132.16	54,754.28

Sub-Total SDR, Subcontractor & Provider Expenses

Sub-Total SDR, Subcontractor & Provider Expenses 94,443.46 71,882.33 96,932.86 263,258.65

Liquidation Oversight Allocation

RLO Allocation	2,968.36	5,080.06	3,979.58	12,028.00
Special Master's Fees	273.68	0.00	382.11	655.79
Total RLO & SM Expense	3,242.04	5,080.06	4,361.69	12,683.79

Total Expenses 97,685.50 76,962.39 101,294.55 275,942.44

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**Santa Fe Auto Insurance Company
Statement of Net Assets**

**For the Period Ending
11/30/14**

Line		11/30/14
Cash		
1	Cash	
	Cash - Unrestricted	4,046,808
	APF Funds (Loan proceeds)	
Investments		
2	Short-Term Investments	
3	Bonds	
4	Stocks - Preferred & Common	
5	Investments in Subsidiaries, Controlled or Affiliated Entities	
6	Mortgage Loans	
7	Real Estate	
8	Policy Loans	
9	Other Invested Assets	
	<i>Detail Item if any</i>	
	<i>Detail Item if any</i>	
Restricted Assets		
10	Statutory Deposits	129,986
11	Funds held by or deposited with Reinsured Companies	
12	Restricted - Other	
Reinsurance Receivable		
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	
15	Reinsurance Recoverables on UEP & Contingent Commissions	
Other Receivables		
16	Salvage & Subrogation Recoveries	
17	Premiums Due from Agents & Policyholders	
18	Receivable from Parents, Subsidiaries & Affiliates	
19	Receivable from Guaranty Associations - Early Access Payments	3,193,965
20	Other Receivables	
Other Assets		
21	FF&E	
22	Other Assets	
	Total Assets	7,370,759

NOTES

Ref No.

10 Represents statutory deposits held with various states as follows: New Mexico \$104,974, and Georgia \$25,012.

13 Reinsurance recoverables are undetermined as of the report date due to the complexity of the company's records. In future months, an amount will be determined as information is obtained from company records.

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Santa Fe Auto Insurance Company
Changes in Net Assets for the Quarter Ending

11/30/14

Line		08/31/14	11/30/14	Change
Cash				
1	Cash			
	Cash - Unrestricted	7,070,417	4,046,808	(3,023,609)
	APF Funds (Loan proceeds)		0	0
Investments				
2	Short-Term Investments		0	0
3	Bonds		0	0
4	Stocks - Preferred & Common		0	0
5	Investments in Subsidiaries, Controlled or Affiliated Entities		0	0
6	Mortgage Loans		0	0
7	Real Estate		0	0
8	Policy Loans		0	0
9	Other Invested Assets		0	0
	<i>Detail Item if any</i>		0	0
	<i>Detail Item if any</i>		0	0
Restricted Assets				
10	Statutory Deposits	129,986	129,986	0
11	Funds held by or deposited with Reinsured Companies		0	0
12	Restricted - Other		0	0
Reinsurance Receivable				
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)		0	0
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)		0	0
15	Reinsurance Recoverables on UEP & Contingent Commissions		0	0
Other Receivables				
16	Salvage & Subrogation Recoveries		0	0
17	Premiums Due from Agents & Policyholders		0	0
18	Receivable from Parents, Subsidiaries & Affiliates		0	0
19	Receivable from Guaranty Associations - Early Access Payments	416,391	3,193,965	2,777,574
20	Other Receivables		0	0
Other Assets				
21	FF&E		0	0
22	Other Assets		0	0
	Total Assets	7,616,794	7,370,759	(246,035)

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Santa Fe Auto Insurance Company
Statement of Net Liabilities

For Period Ending
11/30/14

Line		11/30/14
1	Secured Claims	
2	APF Loan	
3	Special Deposit Claims	
Administrative Claims - Class 1		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	89,175
	Liquidation Oversight	4,362
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	
	LAE Reserves	
Policy Claims - Class 2		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	10,136,190
	Loss Claims Reserves	12,432,756
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	303,278
9	LAE - Other	
10	Unearned & Advance Premium Claims - GA	238,948
11	Unearned & Advance Premium Claims - Other	
Other Liabilities		
12	Class 3 Claims	
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	630,200
15	Class 5 Reinsurance Related Unsecured Claims	7,483,000
16	Class 6 Claims	
17	Class 7 Claims	
18	Class 8 Claims	
19	Class 9 Claims	
20	Class 10 Interest	
21	Class 11 Claims	
22	Other Liabilities	
	Total Liabilities	31,317,909
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(23,947,150)
	Total Liabilities & Equity	7,370,759

**Santa Fe Auto Insurance Company
Statement of Net Liabilities**

**For Period Ending
11/30/14**

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

7 Represents amounts reserved based on information received from the Arkansas, Arizona, Georgia, New Mexico, Nevada, Oklahoma, Utah and Texas guaranty associations. The appropriateness and reasonableness of the reserve amounts will be determined and updated by TPCIGA and the other associations, and reviewed by the SDR in future months.

8 Represents amounts reserved for unclaimed claims payments based on review of the company books and records.

10 Represents amounts reserved based on information received from the Arkansas, Arizona, Georgia, New Mexico, Nevada, Oklahoma, Utah and Texas guaranty associations. The appropriateness and reasonableness of the reserve amounts will be determined and updated by TPCIGA and the other associations, and reviewed by the SDR in future months.

14 Represents amounts reserved based on review of company books and records. In July 2013, the proof of claim process ("POC") was approved by the receivership court, and POC forms and instructions were mailed to potential claimants in August 2013. The POC deadline was October 5, 2014; however, this amount has not been formally adjudicated and will be updated as warranted throughout the POC process.

15 Represents amounts reserved based on review of company books and records as of date of receivership. Potentially offsetting reinsurance assets are undetermined at this time.

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Santa Fe Auto Insurance Company
Changes in Net Liabilities for the Quarter Ending

11/30/14

Line		08/31/14	11/30/14	Change
1	Secured Claims		0	0
2	APF Loan		0	0
3	Special Deposit Claims		0	0
Administrative Claims - Class 1				
4	Administrative Claims - State/Receiver		0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	68,812	89,175	20,363
	Liquidation Oversight	3,700	4,362	662
	Special Master's Fees		0	0
5	Administrative Claims - Guaranty Assns		0	0
	Administrative Expense Paid		0	0
	Administrative Expense Reserves		0	0
6	LAE - Guaranty Assns		0	0
	LAE Paid		0	0
	LAE Reserves		0	0
Policy Claims - Class 2				
7	Loss Claims - Guaranty Assns		0	0
	Loss Claims Paid	8,699,142	10,136,190	1,437,048
	Loss Claims Reserves	13,442,173	12,432,756	(1,009,417)
8	Loss Claims - Other		0	0
	Other Loss Claims Paid		0	0
	Other Loss Claims Reserves	303,278	303,278	0
9	LAE - Other		0	0
10	Unearned & Advance Premium Claims - GA	238,517	238,948	431
11	Unearned & Advance Premium Claims - Other		0	0
Other Liabilities				
12	Class 3 Claims		0	0
13	Class 4 Claims		0	0
14	Class 5 General Unsecured Creditor Claims	630,200	630,200	0
15	Class 5 Reinsurance Related Unsecured Claims	7,483,000	7,483,000	0
16	Class 6 Claims		0	0
17	Class 7 Claims		0	0
18	Class 8 Claims		0	0
19	Class 9 Claims		0	0
20	Class 10 Interest		0	0
21	Class 11 Claims		0	0
22	Other Liabilities		0	0
	Total Liabilities	30,868,822	31,317,909	449,087
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(23,252,028)	(23,947,150)	(695,122)
	Total Liabilities & Equity	7,616,794	7,370,759	(246,035)

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Santa Fe Auto Insurance Company
Sources & Uses of Cash

For Period Ending
11/30/14

	Qtr Ending Nov-14
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	1,533
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	6,957
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	8,490
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	392
Total Cash Receipts	8,882
Disbursements	
SDR Fees & Expenses	78,988
Subcontractor Legal Fees & Expenses	47,046
Subcontractor Other Fees & Expenses	80,481
Non-Subcontractor Fees & Expenses	27,875
Other Expenses	8,504
RLO Fees & Expenses	12,022
Total Disbursements for Operations	254,916
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	2,777,575
Refunds & Other Distributions	0
Total Cash Distributions	2,777,575
Total Cash Disbursements & Distributions	3,032,491
Net Increase(Decrease) in Cash	(3,023,609)
Cash at Beginning of Period	7,070,417
Cash at End of Period	4,046,808