

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
(DECEMBER 1, 2014 THROUGH FEBRUARY 28, 2015)

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 December 1, 2014 to February 28, 2015. 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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L.L.P., SPECIAL DEPUTY RECEIVER OF
SANTA FE AUTO INSURANCE COMPANY**

CERTIFICATE OF SERVICE

I certify that on March 16, 2015, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (DECEMBER 1, 2014 TO FEBRUARY 28, 2015) 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
02/28/15**

	Total Dec	Total Jan	Total Feb	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	17,255.00	20,790.00	30,222.50	68,267.50
Partner/Attorney Travel	0.00	0.00	87.50	87.50
Partner/Attorney	0.00	437.50	472.50	910.00
Receivership Specialist/ Expenses	0.00 62.00	0.00 25.94	340.00 74.97	340.00 162.91
Total SDR Billing	17,317.00	21,253.44	31,197.47	69,767.91
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	12,320.00	8,640.00	7,200.00	28,160.00
Attorney-Travel	500.00	0.00	0.00	500.00
Expenses	602.41	0.00	0.00	602.41
Total Billing	13,422.41	8,640.00	7,200.00	29,262.41
Inquest Resources				
Paralegal	2,992.00	4,128.00	2,520.00	9,640.00
Receivership Specialist	3,210.00	5,760.00	3,052.50	12,022.50
Litigation Assistant/Records Mgr	306.00	625.50	504.00	1,435.50
Litigation Assistant/Records Mgr Travel	15.75	49.50	36.00	101.25
Clerical	1,017.00	3,957.00	543.00	5,517.00
Expenses	0.00	589.88	367.57	957.45
Total Billing	7,540.75	15,109.88	7,023.07	29,673.70
Total Legal Subcontractors	20,963.16	23,749.88	14,223.07	58,936.11
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	1,972.00	1,309.00	493.00	3,774.00
Accountant	0.00	56.00	0.00	56.00
Accountant	2,261.00	2,223.00	1,539.00	6,023.00
Clerical/	0.00	117.00	0.00	117.00
Expenses	651.61	53.81	39.92	745.34
Total Billing	5,365.61	3,758.81	2,071.92	11,196.34
Abaci, Inc.				
Project Manager	209.00	313.50	218.50	741.00
Technical Analyst	1,107.00	810.00	198.00	2,115.00
Technical Analyst - Travel	153.00	0.00	0.00	153.00
Expenses	0.00	79.97	0.00	79.97
Total Billing	1,469.00	1,203.47	416.50	3,088.97
EMKAY Associates				
Claims Manager/	712.50	769.50	1,501.00	2,983.00
Claims Representative/	13,022.00	13,090.00	16,056.50	42,168.50
Claims Representative	6,511.00	3,391.50	4,853.50	14,756.00
Claims Representative Clerical	9.00	0.00	0.00	9.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	20,254.50	17,251.00	22,411.00	59,916.50

Total Other SDR Subcontractors	27,089.11	22,213.28	24,899.42	74,201.81
Receivership Service Providers				
Reinsurance Recoveries Service Provider-Tharp & Associates	12,625.00	10,675.00	0.00	23,300.00
Inventory/Storage Expenses	740.00	749.00	749.00	2,238.00
IT/Computer Fees	2,252.47	1,482.38	1,517.25	5,252.10
Mailing/Printing Expenses	269.11	165.81	427.03	861.95
Telephone	271.57	307.15	312.63	891.35
Miscellaneous-Data and Document Storage Insurance (Hartford)	0.00	0.00	500.00	500.00
Investment Account Fees-Century Trust (NM Stat Deposit)	138.86	0.00	0.00	138.86
Investment Account Fees-US Bank (GA Stat Deposit)	0.00	137.50	0.00	137.50
Operating Account	15.00	0.00	15.00	30.00
Texas Treasury	76.31	76.65	75.13	228.09
Total Other	16,388.32	13,593.49	3,596.04	33,577.85
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	81,757.59	80,810.09	73,916.00	236,483.68
Liquidation Oversight Allocation				
RLO Allocation	5,848.49	4,291.32	4,148.90	14,288.71
Special Master's Fees	0.00	0.00	163.32	163.32
Total RLO & SM Expense	5,848.49	4,291.32	4,312.22	14,452.03
Total Expenses	87,606.08	85,101.41	78,228.22	250,935.71

R-554

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

**For the Period Ending
02/28/15**

Line		02/28/15
Cash		
1	Cash	
	Cash - Unrestricted	3,784,140
	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	
Restricted Assets		
10	Statutory Deposits	129,849
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	7,107,954

NOTES

Ref No.

- 10 Represents statutory deposits held with various states as follows: New Mexico \$104,834, and Georgia \$25,015.
- 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.

R-554

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

02/28/15

Line		11/30/14	02/28/15	Change
Cash				
1	Cash			
	Cash - Unrestricted	4,046,808	3,784,140	(262,668)
	APF Funds (Loan proceeds)	0	0	0
Investments				
2	Short-Tem Investments	0	0	0
3	Bonds	0	0	0
4	Stocks - Preferred & Common	0	0	0
5	Investments in Subsidiaries, Controlled or Affiliated Entities	0	0	0
6	Mortgage Loans	0	0	0
7	Real Estate	0	0	0
8	Policy Loans	0	0	0
9	Other Invested Assets	0	0	0
	<i>Detail Item if any</i>	0	0	0
	<i>Detail Item if any</i>	0	0	0
Restricted Assets				
10	Statutory Deposits	129,986	129,849	(137)
11	Funds held by or deposited with Reinsured Companies	0	0	0
12	Restricted - Other	0	0	0
Reinsurance Receivable				
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	0	0	0
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	0	0	0
15	Reinsurance Recoverables on UEP & Contingent Commissions	0	0	0
Other Receivables				
16	Salvage & Subrogation Recoveries	0	0	0
17	Premiums Due from Agents & Policyholders	0	0	0
18	Receivable from Parents, Subsidiaries & Affiliates	0	0	0
19	Receivable from Guaranty Associations - Early Access Payments	3,193,965	3,193,965	0
20	Other Receivables	0	0	0
Other Assets				
21	FF&E	0	0	0
22	Other Assets	0	0	0
	Total Assets	7,370,759	7,107,954	(262,805)

R-554

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

**For Period Ending
02/28/15**

Line		02/28/15
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	71,069
	Liquidation Oversight	4,312
	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	11,497,648
	Loss Claims Reserves	10,331,395
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	303,278
9	LAE - Other	
10	Unearned & Advance Premium Claims - GA	238,940
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	30,559,842
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(23,451,888)
	Total Liabilities & Equity	7,107,954

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

**For Period Ending
02/28/15**

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.

R-554

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

02/28/15

Line		11/30/14	02/28/15	Change
1	Secured Claims	0	0	0
2	APF Loan	0	0	0
3	Special Deposit Claims	0	0	0
Administrative Claims - Class 1				
4	Administrative Claims - State/Receiver	0	0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	89,175	71,069	(18,106)
	Liquidation Oversight	4,362	4,312	(50)
	Special Master's Fees	0	0	0
5	Administrative Claims - Guaranty Assns	0	0	0
	Administrative Expense Paid	0	0	0
	Administrative Expense Reserves	0	0	0
6	LAE - Guaranty Assns	0	0	0
	LAE Paid	0	0	0
	LAE Reserves	0	0	0
Policy Claims - Class 2				
7	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	10,136,190	11,497,648	1,361,458
	Loss Claims Reserves	12,432,756	10,331,395	(2,101,361)
8	Loss Claims - Other	0	0	0
	Other Loss Claims Paid	0	0	0
	Other Loss Claims Reserves	303,278	303,278	0
9	LAE - Other	0	0	0
10	Unearned & Advance Premium Claims - GA	238,948	238,940	(8)
11	Unearned & Advance Premium Claims - Other	0	0	0
Other Liabilities				
12	Class 3 Claims	0	0	0
13	Class 4 Claims	0	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	0
17	Class 7 Claims	0	0	0
18	Class 8 Claims	0	0	0
19	Class 9 Claims	0	0	0
20	Class 10 Interest	0	0	0
21	Class 11 Claims	0	0	0
22	Other Liabilities	0	0	0
	Total Liabilities	31,317,909	30,559,842	(758,067)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(23,947,150)	(23,451,888)	495,262
	Total Liabilities & Equity	7,370,759	7,107,954	(262,805)

R-554

Santa Fe Auto Insurance Company
Sources & Uses of Cash

For Period Ending
02/28/15

	Qtr Ending Feb-15
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	73
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	6,272
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	6,345
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	379
Total Cash Receipts	6,724
Disbursements	
SDR Fees & Expenses	59,076
Subcontractor Legal Fees & Expenses	63,169
Subcontractor Other Fees & Expenses	81,142
Non-Subcontractor Fees & Expenses	41,675
Other Expenses	9,829
RLO Fees & Expenses	14,501
Total Disbursements for Operations	269,392
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	269,392
Net Increase(Decrease) in Cash	(262,668)
Cash at Beginning of Period	4,046,808
Cash at End of Period	3,784,140