

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

THE STATE OF TEXAS,
Plaintiff

v.

SANTA FE AUTO INSURANCE
COMPANY
Defendant

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

419th JUDICIAL DISTRICT

SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND
SUMMARY STATEMENT OF EXPENSES
(MARCH 1, 2015 THROUGH MAY 31, 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 March 1, 2015 to May 31, 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,

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By: /s/Christopher Fuller

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

CERTIFICATE OF SERVICE

I certify that on June 15, 2015, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (MARCH 1, 2015 TO MAY 31, 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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/s/Christopher Fuller
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**Santa Fe Auto Insurance Company
Statement of Expenses**

**For Period Ending
05/31/15**

	Total March	Total Apr	Total May	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	28,717.50	22,505.00	27,982.50	79,205.00
Partner/Attorney Travel	0.00	105.00	0.00	105.00
Partner/Attorney	752.50	1,697.50	892.50	3,342.50
Clerical-Law	0.00	0.00	1,904.00	1,904.00
Expenses	87.13	36.36	12.96	136.45
Total SDR Billing	29,557.13	24,343.86	30,791.96	84,692.95
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	4,180.00	10,920.00	9,820.00	24,920.00
Expenses	422.83	42.87	17.00	482.70
Total Billing	4,602.83	10,962.87	9,837.00	25,402.70
Inquest Resources				
Paralegal	3,192.00	2,600.00	3,360.00	9,152.00
Paralegal Travel	0.00	0.00	64.00	64.00
Receivership Specialist	3,097.50	690.00	2,407.50	6,195.00
Receivership Specialist/ Travel	11.25	0.00	41.25	52.50
Litigation Assistant/Records Mgr	652.50	441.00	598.50	1,692.00
Litigation Assistant/Records Mgr Travel	9.00	0.00	0.00	9.00
Clerical	276.00	192.00	594.00	1,062.00
Expenses	821.24	2.78	30.58	854.60
Total Billing	8,059.49	3,925.78	7,095.83	19,081.10
Total Legal Subcontractors	12,662.32	14,888.65	16,932.83	44,483.80
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	680.00	442.00	578.00	1,700.00
Accountant	1,605.50	1,406.00	1,073.50	4,085.00
Expenses	34.72	30.21	34.50	99.43
Total Billing	2,320.22	1,878.21	1,686.00	5,884.43
Abaci, Inc.				
Project Manager	95.00	465.50	199.50	760.00
Technical Analyst	909.00	234.00	504.00	1,647.00
Technical Analyst - Travel	76.50	0.00	0.00	76.50
Expenses	0.00	0.00	0.00	0.00
Total Billing	1,080.50	699.50	703.50	2,483.50
EMKAY Associates				
Claims Manager/	2,223.00	1,111.50	1,111.50	4,446.00
Claims Representative/	13,923.00	15,342.50	14,101.50	43,367.00

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

**For Period Ending
05/31/15**

	Total March	Total Apr	Total May	Total Quarter
Claims Representative Expenses	5,907.50	4,870.50	7,573.50	18,351.50
	0.00	0.00	0.00	0.00
Total Billing	22,053.50	21,324.50	22,786.50	66,164.50
Total Other SDR Subcontractors	25,454.22	23,902.21	25,176.00	74,532.43
Receivership Service Providers				
Reinsurance Recoveries Service Provider-Tharp & Associates	10,125.00	31,100.00	0.00	41,225.00
Waldman Bros SDR Bond	1,200.00	0.00	0.00	1,200.00
Inventory/Storage Expenses	763.50	763.50	763.50	2,290.50
IT/Computer Fees	1,501.25	1,501.25	1,597.25	4,599.75
Mailing/Printing Expenses	128.15	186.53	164.83	479.51
Telephone	315.96	296.60	378.74	991.30
Employee-Payroll/PR Tax,Benefits-Other US Treasury 2014 form 941	317.85	0.00	0.00	317.85
Operating Account	15.00	15.00	15.00	45.00
Texas Treasury	67.83	72.60	47.28	187.71
Total Other	14,434.54	33,935.48	2,966.60	51,336.62
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	82,108.21	97,070.20	75,867.39	255,045.80
Liquidation Oversight Allocation				
RLO Allocation	4,405.23	4,000.12	6,263.66	14,669.01
Special Master's Fees	0.00	181.11	2.23	183.34
Total RLO & SM Expense	4,405.23	4,181.23	6,265.89	14,852.35
Total Expenses	86,513.44	101,251.43	82,133.28	269,898.15

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

**For the Period Ending
05/31/15**

Line		05/31/15
Cash		
1	Cash	
	Cash - Unrestricted	3,522,363
	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	6,846,177

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.

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

05/31/15

Line		02/28/15	05/31/15	Change
Cash				
1	Cash			
	Cash - Unrestricted	3,784,140	3,522,363	(261,777)
	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	129,849	129,849	0
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	7,107,954	6,846,177	(261,777)

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

**For Period Ending
05/31/15**

Line		05/31/15
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	72,901
	Liquidation Oversight	6,266
	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	12,340,370
	Loss Claims Reserves	9,462,381
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	303,278
9	LAE - Other	
10	Unearned & Advance Premium Claims - GA	238,516
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	30,536,912
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(23,690,735)
	Total Liabilities & Equity	6,846,177

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

**For Period Ending
05/31/15**

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.

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Santa Fe Auto Insurance Company
Sources & Uses of Cash

For Period Ending
05/31/15

	Qtr Ending May-15
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	3,921
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	3,921
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	414
Total Cash Receipts	4,335
Disbursements	
SDR Fees & Expenses	85,098
Subcontractor Legal Fees & Expenses	41,774
Subcontractor Other Fees & Expenses	74,257
Non-Subcontractor Fees & Expenses	41,225
Other Expenses	10,860
RLO Fees & Expenses	12,898
Total Disbursements for Operations	266,112
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	266,112
Net Increase(Decrease) in Cash	(261,777)
Cash at Beginning of Period	3,784,140
Cash at End of Period	3,522,363