

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

THE STATE OF TEXAS,
Plaintiff

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IN THE DISTRICT COURT OF

v.

TRAVIS COUNTY, TEXAS

SANTA FE AUTO INSURANCE
COMPANY
Defendant

419th JUDICIAL DISTRICT

SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND
SUMMARY STATEMENT OF EXPENSES
(JUNE 1, 2016 THROUGH AUGUST 31, 2016)

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 June 1, 2016 to August 31, 2016. 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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**ATTORNEY FOR
CANTILO & BENNETT, L.L.P.,
SPECIAL DEPUTY RECEIVER OF
SANTA FE AUTO INSURANCE COMPANY**

CERTIFICATE OF SERVICE

I certify that on September 15, 2016, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (JUNE 1, 2016 TO AUGUST 31, 2016) 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
08/31/16**

	Total Jun	Total Jul	Total Aug	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	11,952.50	8,627.50	8,347.50	28,927.50
Partner/Attorney Travel	0.00	43.75	87.50	131.25
Partner/Attorney	210.00	245.00	297.50	752.50
Clerical Law	0.00	2,409.75	0.00	2,409.75
Expenses	17.59	59.86	18.00	95.45
Total SDR Billing	12,180.09	11,385.86	8,750.50	32,316.45
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	7,200.00	9,800.00	9,900.00	26,900.00
Expenses	473.51	152.00	253.31	878.82
Total Billing	7,673.51	9,952.00	10,153.31	27,778.82
Inquest Resources				
Paralegal	1,376.00	440.00	904.00	2,720.00
Receivership Specialist	495.00	1,020.00	855.00	2,370.00
Receivership Specialist/ Travel	0.00	0.00	30.00	30.00
Litigation Assistant/Records Mgr	103.50	85.50	288.00	477.00
Litigation Assistant/Records Mgr Travel	27.00	49.50	33.75	110.25
Clerical	0.00	519.00	0.00	519.00
Expenses	778.02	0.00	460.28	1,238.30
Total Billing	2,779.52	2,114.00	2,571.03	7,464.55
Total Legal Subcontractors	10,453.03	12,066.00	12,724.34	35,243.37
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	1,003.00	697.00	578.00	2,278.00
Accountant	1,510.50	1,548.50	2,413.00	5,472.00
Expenses	32.59	32.83	62.72	128.14
Total Billing	2,546.09	2,278.33	3,053.72	7,878.14
Abaci, Inc.				
Project Manager	133.00	123.50	95.00	351.50
Technical Analyst	423.00	216.00	36.00	675.00
Technical Analyst - Travel	72.00	76.50	0.00	148.50
Expenses	0.00	0.00	0.00	0.00
Total Billing	628.00	416.00	131.00	1,175.00
EMKAY Associates				
Claims Manager/	608.00	560.50	446.50	1,615.00
Claims Representative/	8,746.50	5,542.00	8,202.50	22,491.00
Claims Representative	14,832.50	13,251.50	6,230.50	34,314.50
Expenses	782.23	102.77	79.88	964.88
Total Billing	24,969.23	19,456.77	14,959.38	59,385.38
Total Other SDR Subcontractors	28,143.32	22,151.10	18,144.10	68,438.52

Receivership Service Providers

Inventory/Storage Expenses	774.50	801.56	775.00	2,351.06
IT/Computer Fees	1,825.52	1,761.52	1,761.52	5,348.56
Mailing/Printing Expenses	201.50	74.61	349.44	625.55
Telephone	315.26	313.90	315.61	944.77
Operating Account	75.60	76.13	83.60	235.33
Texas Treasury	229.49	214.23	101.74	545.46
Total Other	3,421.87	3,241.95	3,386.91	10,050.73

Sub-Total SDR, Subcontractor & Provider Expenses

Sub-Total SDR, Subcontractor & Provider Expenses	54,198.31	48,844.91	43,005.85	146,049.07
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Liquidation Oversight Allocation

RLO Allocation	3,130.48	4,281.11	4,026.20	11,437.79
Special Master's Fees	0.00	0.00	329.35	329.35
RLO Allocation-December Adjustment	(3,130.48)	(4,281.11)	(4,355.55)	(11,767.14)
Total RLO & SM Expense	0.00	0.00	0.00	0.00
Total Expenses	54,198.31	48,844.91	43,005.85	146,049.07

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

**For the Period Ending
08/31/16**

Line		08/31/16
Cash		
1	Cash	
	Cash - Unrestricted	5,383,073
	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	25,036
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	10,693,965
20	Other Receivables	
Other Assets		
21	FF&E	
22	Other Assets	
	Total Assets	16,102,074

NOTES

Ref No.

10 Represents statutory deposits held with Georgia.

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

08/31/16

Line		05/31/16	08/31/16	Change
Cash				
1	Cash			
	Cash - Unrestricted	13,018,936	5,383,073	(7,635,863)
	APF Funds (Loan proceeds)	0	0	0
Investments				
2	Short-Term 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
Restricted Assets				
10	Statutory Deposits	25,017	25,036	19
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	10,693,965	7,500,000
20	Other Receivables	0	0	0
Other Assets				
21	FF&E	0	0	0
22	Other Assets	0	0	0
	Total Assets	16,237,918	16,102,074	(135,844)

Change in Cash: Reinsurance proceeds

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

**For Period Ending
08/31/16**

Line		08/31/16
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	39,619
	Liquidation Oversight	
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	2,704,845
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	7,276,839
	LAE Reserves	755,692
Policy Claims - Class 2		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	8,936,968
	Loss Claims Reserves	2,813,858
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	303,278
9	LAE - Other	
10	Unearned & Advance Premium Claims - GA	238,412
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	
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	23,699,711
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(7,597,637)
	Total Liabilities & Equity	16,102,074

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

**For Period Ending
08/31/16**

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

5 Represents amounts paid by Arkansas, Arizona, Georgia, New Mexico, Nevada, Oklahoma, Utah and Texas guaranty associations based on information received from quarterly UDS reports through August 31, 2016. The appropriateness and reasonableness of these amounts will be reviewed and updated by the SDR in future months as more information is received and each Guaranty Association's POC is adjudicated.

6 Represents amounts reserved based on information received from the Arkansas, Arizona, Georgia, New Mexico, Nevada, Oklahoma, Utah and Texas guaranty associations through August 31, 2016. 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.

7 Represents amounts reserved based on information received from the Arkansas, Arizona, Georgia, New Mexico, Nevada, Oklahoma, Utah and Texas guaranty associations through August 31, 2016. 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 through August 31, 2016. 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.

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

08/31/16

Line		05/31/16	08/31/16	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	35,640	39,619	3,979
	Liquidation Oversight	0	0	0
	Special Master's Fees	0	0	0
5	Administrative Claims - Guaranty Assns	0	0	0
	Administrative Expense Paid	2,635,013	2,704,845	69,832
	Administrative Expense Reserves	0	0	0
6	LAE - Guaranty Assns	0	0	0
	LAE Paid	7,082,838	7,276,839	194,001
	LAE Reserves	940,747	755,692	(185,055)
Policy Claims - Class 2				
7	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	8,728,002	8,936,968	208,966
	Loss Claims Reserves	3,378,368	2,813,858	(564,510)
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	238,433	238,412	(21)
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	0	0	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	23,972,519	23,699,711	(272,808)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(7,734,601)	(7,597,637)	136,964
	Total Liabilities & Equity	16,237,918	16,102,074	(135,844)

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**Santa Fe Auto Insurance Company
Sources & Uses of Cash**

**For Period Ending
08/31/16**

	Qtr Ending Aug-16
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	986
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	986
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	5,221
Total Cash Receipts	6,207
Disbursements	
SDR Fees & Expenses	30,917
Subcontractor Legal Fees & Expenses	26,621
Subcontractor Other Fees & Expenses	74,481
Non-Subcontractor Fees & Expenses	0
Other Expenses	10,051
RLO Fees & Expenses	0
Total Disbursements for Operations	142,070
Loss Claims & LAE Expense Payments	0
Early Access Payments - States	7,500,000
Refunds & Other Distributions	0
Total Cash Distributions	7,500,000
Total Cash Disbursements & Distributions	7,642,070
Net Increase(Decrease) in Cash	(7,635,863)
Cash at Beginning of Period	13,018,936
Cash at End of Period	5,383,073