

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
(DECEMBER 1, 2016 THROUGH FEBRUARY 28, 2017)

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, 2016 to February 28, 2017. 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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CANTILO & BENNETT, L.L.P.,
SPECIAL DEPUTY RECEIVER OF
SANTA FE AUTO INSURANCE COMPANY**

CERTIFICATE OF SERVICE

I certify that on March 15, 2017, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (DECEMBER 1, 2016 TO FEBRUARY 28, 2017) 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
02/28/17**

	Total Dec	Total Jan	Total Feb	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	8,365.00	15,995.00	12,670.00	37,030.00
Partner/Attorney Travel	288.75	822.50	595.00	1,706.25
Partner/Attorney	227.50	227.50	210.00	665.00
Expenses	1,276.10	22.28	1,198.87	2,497.25
Total SDR Billing	10,157.35	17,067.28	14,673.87	41,898.50
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	10,180.00	6,780.00	10,880.00	27,840.00
Expenses	6,543.65	7,053.28	6,455.88	20,052.81
Total Billing	16,723.65	13,833.28	17,335.88	47,892.81
Inquest Resources				
Paralegal	496.00	1,120.00	1,088.00	2,704.00
Receivership Specialist	607.50	1,222.50	1,972.50	3,802.50
Litigation Assistant/Records Mgr	63.00	468.00	189.00	720.00
Litigation Assistant/Records Mgr Travel	11.25	94.50	108.00	213.75
Expenses	88.92	642.01	191.17	922.10
Total Billing	1,266.67	3,547.01	3,548.67	8,362.35
Total Legal Subcontractors	17,990.32	17,380.29	20,884.55	56,255.16
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	561.00	680.00	391.00	1,632.00
Accountant	1,425.00	1,643.50	1,225.50	4,294.00
Expenses	43.29	43.70	52.97	139.96
Total Billing	2,029.29	2,367.20	1,669.47	6,065.96
Abaci, Inc.				
Project Manager	76.00	114.00	123.50	313.50
Technical Analyst	405.00	1,359.00	81.00	1,845.00
Technical Analyst - Travel	0.00	180.00	90.00	270.00
Expenses	0.00	540.62	0.00	540.62
Total Billing	481.00	2,193.62	294.50	2,969.12
EMKAY Associates				
Claims Manager/	209.00	0.00	494.00	703.00
Claims Representative/	8,364.00	4,471.00	9,613.50	22,448.50
Claims Representative	5,006.50	8,823.00	7,760.50	21,590.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	13,579.50	13,294.00	17,868.00	44,741.50
Total Other SDR Subcontractors	16,089.79	17,854.82	19,831.97	53,776.58
Receivership Service Providers				
Elite Document Technology-Deposition Expenses	600.83	0.00	0.00	600.83
The Hartford-Business/Liability Insurance	0.00	0.00	500.00	500.00
Inventory/Storage Expenses	775.00	775.00	775.00	2,325.00
IT/Computer Fees	2,187.92	1,978.02	1,864.02	6,029.96

Mailing/Printing Expenses	153.07	43.00	355.03	551.10
Telephone	360.31	310.35	310.80	981.46
Investment Account Fees-US Bank (GA Stat Deposit)	56.14	0.00	0.00	56.14
Operating Account	89.93	76.24	86.65	252.82
Texas Treasury	96.62	98.95	98.26	293.83
Total Other	4,319.82	3,281.56	3,989.76	11,591.14
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	48,557.28	55,583.95	59,380.15	163,521.38
Liquidation Oversight Allocation				
RLO Allocation	4,821.92	5,210.40	6,191.56	16,223.88
Special Master's Fees	15.79	0.00	154.74	170.53
Total RLO & SM Expense	4,837.71	5,210.40	6,346.30	16,394.41
Total Expenses	53,394.99	60,794.35	65,726.45	179,915.79

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

**For the Period Ending
02/28/17**

Line		02/28/17
Cash		
1	Cash	
	Cash - Unrestricted	5,143,318
	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	25,006
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	52,813
Other Assets		
21	FF&E	
22	Other Assets	
	Total Assets	15,915,102

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

02/28/17

Line		11/30/16	02/28/17	Change
Cash				
1	Cash			
	Cash - Unrestricted	5,283,994	5,143,318	(140,676)
	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
Restricted Assets				
10	Statutory Deposits	25,048	25,006	(42)
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	10,693,965	10,693,965	0
20	Other Receivables	65,000	52,813	(12,187)
Other Assets				
21	FF&E	0	0	0
22	Other Assets	0	0	0
Total Assets		16,068,007	15,915,102	(152,905)

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

**For Period Ending
02/28/17**

Line		02/28/17
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	61,737
	Liquidation Oversight	
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	2,816,764
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	7,475,874
	LAE Reserves	535,087
Policy Claims - Class 2		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	9,312,924
	Loss Claims Reserves	2,133,288
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	23,507,564
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(7,592,462)
	Total Liabilities & Equity	15,915,102

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

**For Period Ending
02/28/17**

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 UDS reports through February 28, 2017. 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 based on information received from the Arkansas, Arizona, Georgia, New Mexico, Nevada, Oklahoma, Utah and Texas guaranty associations through February 28, 2017. 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 based on information received from the Arkansas, Arizona, Georgia, New Mexico, Nevada, Oklahoma, Utah and Texas guaranty associations through February 28, 2017. 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 February 28, 2017. 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

02/28/17

Line		11/30/16	02/28/17	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	43,430	61,737	18,307
	Liquidation Oversight	0	0	0
	Special Master's Fees	0	0	0
5	Administrative Claims - Guaranty Assns	0	0	0
	Administrative Expense Paid	2,798,012	2,816,764	18,752
	Administrative Expense Reserves	0	0	0
6	LAE - Guaranty Assns	0	0	0
	LAE Paid	7,373,667	7,475,874	102,207
	LAE Reserves	650,311	535,087	(115,224)
Policy Claims - Class 2				
7	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	9,074,801	9,312,924	238,123
	Loss Claims Reserves	2,539,681	2,133,288	(406,393)
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	238,412	238,412	0
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	23,651,792	23,507,564	(144,228)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(7,583,785)	(7,592,462)	(8,677)
	Total Liabilities & Equity	16,068,007	15,915,102	(152,905)

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

For Period Ending
02/28/17

	Qtr Ending Feb-17
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recoveries	12,187
Other Receipts	3,616
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	15,803
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	5,073
Total Cash Receipts	20,876
Disbursements	
SDR Fees & Expenses	39,375
Subcontractor Legal Fees & Expenses	48,837
Subcontractor Other Fees & Expenses	49,195
Non-Subcontractor Fees & Expenses	0
Other Expenses	11,536
RLO Fees & Expenses	12,609
Total Disbursements for Operations	161,552
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	161,552
Net Increase(Decrease) in Cash	(140,676)
Cash at Beginning of Period	5,283,994
Cash at End of Period	5,143,318