

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

**THE STATE OF TEXAS,
Plaintiff**

v.

**SANTA FE AUTO INSURANCE
COMPANY
Defendant**

§
§
§
§
§
§
§
§
§

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, 2017 THROUGH MAY 31, 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 March 1, 2017 to May 31, 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,

FULLER LAW GROUP

By: /s/Christopher Fuller
Christopher Fuller
Texas Bar No. 07515500
4612 Ridge Oak Drive
Austin, Texas 78731
Telephone: (512) 470-9544
Email: cfuller@fullerlaw.org

**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, 2017, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (MARCH 1, 2017 TO MAY 31, 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.

Via Email: Todd.Ridley@santafeinsurance.net
Todd Ridley
13703 Neutron Road
Dallas, TX 75244

Via Email: AGonzales@winstead.com
Via Email: PNolan@winstead.com
Alex Gonzales
Peter Nolan
WINSTEAD, PC
401 Congress Avenue, Suite 2100
Austin, TX 78701

Via Email: John.Alexander@tdi.texas.gov
John Alexander
Rehabilitation & Liquidation Oversight
TEXAS DEPARTMENT OF INSURANCE
P.O. Box 149104
Austin, TX 78714-9104

Via Email: Vicente.Aguillon@tdi.texas.gov
Vicente Aguillon
TEXAS DEPARTMENT OF INSURANCE
Rehabilitation & Liquidation Oversight
PO Box 149104
Austin, TX 78714-9104

Via Email: Moses.Chao@tdi.texas.gov
Moses Chao
TEXAS DEPARTMENT OF INSURANCE
Rehabilitation & Liquidation Oversight
PO Box 149104
Austin, TX 78714-9104

Via Email: Kimberly.Hammer@tdi.texas.gov
Kimberly Hammer
TEXAS DEPARTMENT OF INSURANCE
P.O. Box 149104
Austin, TX 78714-9104

Via Email: specialmasterclerk@tdi.texas.gov
Special Master's Clerk
TEXAS DEPARTMENT OF INSURANCE
P.O. Box 149104
Austin, TX 78714-9104

Via Email:
cynthia.morales@texasattorneygeneral.gov
Cynthia Morales
Assistant Attorney General
Financial, Litigation, Tax, & Charitable Trusts
OFFICE OF THE TEXAS ATTORNEY GENERAL
P.O. Box 12548
Austin, TX 78711-2548

Via Email: SCuevas@azinsurance.gov
Shelby L. Cuevas
Deputy Receiver
ARIZONA DEPARTMENT OF INSURANCE
2910 North 44th Street, Suite 210
Phoenix, AZ 85018-7269

Via Email: Allen.Kerr@arkansas.gov
Allen Kerr
Commissioner
ARKANSAS INSURANCE DEPARTMENT
1200 West Third Street
Little Rock, AR 72201-1904

Via Email: MMarchman@gaiga.org
Michael C. Marchman
Executive Director
GEORGIA INSURERS INSOLVENCY POOL
2177 Flintstone Drive, Suite R
Tucker, GA 30084

Via Email: JWells@laiga.org
John Wells
Director of Operations
LOUISIANA INSURANCE GUARANTY
ASSOCIATION
2142 Quail Run Drive
Baton Rouge, LA 70808-4126

Via Email: LMeltzer@tpciga.org
Linda R. Meltzer
TEXAS PROPERTY CASUALTY INSURANCE
GUARANTY ASSOCIATION
9120 Burnet Road
Austin, TX 78758

Via Email:
rachel.obaldo@texasattorneygeneral.gov
Rachel Obaldo
Assistant Attorney General
Bankruptcy and Collections Division
OFFICE OF THE TEXAS ATTORNEY GENERAL
P.O. Box 12548
Austin, TX 78711-2548

Via Email: MSurguine@azinsurance.gov
Michael E. Surguine
Executive Director
ARIZONA INSURANCE GUARANTY FUNDS
1110 West Washington, Suite 270
Phoenix, AZ 85007

Via Email: Steve.Uhrynowycz@arkansas.gov
Steve Uhrynowycz
Liquidation Division
ARKANSAS PROPERTY & CASUALTY
GUARANTY FUND
1023 W. Capitol Avenue, Suite 2
Little Rock, AR 72201

Via Email: mossi@oci.ga.gov
Mark Ossi
Deputy Receiver
GEORGIA OFFICE OF COMMISSIONER OF
INSURANCE
2 Martin Luther King, Jr. Drive
West Tower, Suite 704
Atlanta, GA 30334

Via Email: JDonelon@ldi.state.la.us
James J. Donelon
Commissioner
LOUISIANA DEPARTMENT OF INSURANCE
P.O. Box 94214
Baton Rouge, LA 70804-9214

Via Email: icomnish@doi.nv.gov
Scott J. Kipper
Commissioner
Division of Insurance
NEVADA DEPARTMENT OF BUSINESS &
INDUSTRY
1818 East College Parkway, Suite 103
Carson City, NV 89706

Via Email: BGilbert@niga-pc.org
Bruce W. Gilbert
Executive Director
NEVADA INSURANCE GUARANTY ASSOCIATION
3821 West Charleston Boulevard, Suite 100
Las Vegas, NV 89102-1859

Via Email: John.Franchini@state.nm.us
John G. Franchini
Superintendent
NEW MEXICO PUBLIC REGULATION
COMMISSION
Division of Insurance
P.O. Box 1269
Santa Fe, NM 87501

Via Email: John.Doak@oid.ok.gov
John D. Doak
Commissioner
OKLAHOMA INSURANCE DEPARTMENT
7645 E. 63rd St., Suite 102
Tulsa, OK 74133

Via Email: ABarbera@opciga.org
Amanda Barbera
General Manager
OKLAHOMA PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION
2601 Northwest Expressway, Suite 330E
Oklahoma City, OK 73112

Via Email: dcostello@doi.nv.gov
Denise Costello
Administrative Assistant IV
NEVADA DIVISION OF INSURANCE
788 Fairview Drive, Suite 300
Carson City, NV 89701

Via Email: Elizabeth.Bustos@state.nm.us
Elizabeth Bustos
Account Auditor
NEW MEXICO OFFICE OF SUPERINTENDENT OF
INSURANCE
P.O. Box 1689
Santa Fe, NM 87504-1689

Via Email: stevenv@integriiongroup.com
Via Email: sharil@integriiongroup.com
Via Email: debbiel@integriiongroup.com
Steve Vanetsky
Shari Lucero
Debbie Luera
NEW MEXICO INSURANCE GUARANTY
ASSOCIATION INTEGRION GROUP, INC.
(F/K/A KEENAN & ASSOCIATES, INC.)
P.O. Box 27815
Albuquerque, NM 87125

Via Email: Kelley.Callahan@oid.ok.gov
Kelley Callahan
Assistant General Counsel
OKLAHOMA INSURANCE DEPARTMENT
2401 N.W. 23rd, Suite 28
Oklahoma City, OK 73152-3408

Via Email: ToddKiser@utah.gov
Todd Kiser
Deputy Commissioner
UTAH INSURANCE DEPARTMENT
3110 State Office Building
Salt Lake City, UT 84114-6901

Via Email: AllenM@utgf.org

Allen Muhlestein
Executive Director
UTAH PROPERTY & CASUALTY INSURANCE
GUARANTY ASSOCIATION
P.O. Box 1608
Sandy, UT 84091-1626

Via First Class Mail

INTERNAL REVENUE SERVICE
Centralized Insolvency Operation
P.O. Box 7346
Philadelphia, PA 19101-7346

Via Email: LauraS@downeycleveland.com

Laura Schaefer
DOWNEY & CLEVELAND
288 Washington Avenue
Marietta, GA 30060

Via Email: SClark@koeppeltraylor.com

Via Email: WSC1964@yahoo.com

W. Scarth Clark
KOEPEL TRAYLOR
2030 St. Charles Avenue
New Orleans, LA 70130

Via Email: manning2887@sbcglobal.net

Charles Manning
Attorney at Law
810 North St. Mary's Street
Beeville, TX 78102

Via Email: AKoury@subrogatelaw.com

Aaron G. Koury
CARPENTER & SCHUMACHER, P.C.
Parkway Centre IV
2701 N. Dallas Parkway, Ste. 570
Plano, TX 75093

Via First Class Mail

INTERNAL REVENUE SERVICE
Special Procedures Branch
P.O. Box 250
300 East 8th Street, Suite 352
Mail Stop 5022AUS
Austin, TX 78701

Via Email: Jim@insurancedepot.com

Jim Maxwell

Via Email: Gregg@terrybryant.com

Gregg Anderson
TERRY BRYANT, PLLC
8584 Katy Freeway, Suite 100
Houston, TX 77024

/s/Christopher Fuller

Christopher Fuller

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

**For Period Ending
05/31/17**

	Total March	Total Apr	Total May	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	13,755.00	12,740.00	14,332.50	40,827.50
Partner/Attorney Travel	875.00	52.50	0.00	927.50
Partner/Attorney	175.00	227.50	210.00	612.50
Expenses	1,777.88	182.91	48.27	2,009.06
Total SDR Billing	16,582.88	13,202.91	14,590.77	44,376.56
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	9,960.00	7,400.00	12,000.00	29,360.00
Attorney-Travel	600.00	400.00	600.00	1,600.00
Expenses	2,182.88	5,767.75	9,238.51	17,189.14
Total Billing	12,742.88	13,567.75	21,838.51	48,149.14
Inquest Resources				
Paralegal	456.00	2,440.00	1,040.00	3,936.00
Receivership Specialist	2,175.00	1,440.00	1,965.00	5,580.00
Litigation Assistant/Records Mgr	445.50	504.00	364.50	1,314.00
Litigation Assistant/Records Mgr Travel	94.50	56.25	85.50	236.25
Expenses	533.50	409.92	93.03	1,036.45
Total Billing	3,704.50	4,850.17	3,548.03	12,102.70
Total Legal Subcontractors	16,447.38	18,417.92	25,386.54	60,251.84
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	442.00	680.00	1,717.00	2,839.00
Accountant	1,491.50	1,149.50	1,501.00	4,142.00
Expenses	36.41	73.50	57.75	167.66
Total Billing	1,969.91	1,903.00	3,275.75	7,148.66
Abaci, Inc.				
Project Manager	123.50	180.50	133.00	437.00
Technical Analyst	126.00	36.00	243.00	405.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	249.50	216.50	376.00	842.00
EMKAY Associates				
Claims Manager/	218.50	446.50	95.00	760.00
Claims Representative/	7,990.00	10,098.00	9,962.00	28,050.00
Claims Representative	6,689.50	3,859.00	8,381.00	18,929.50
Expenses	0.00	0.00	30.84	30.84
Total Billing	14,898.00	14,403.50	18,468.84	47,770.34
Total Other SDR Subcontractors	17,117.41	16,523.00	22,120.59	55,761.00
Receivership Service Providers				
Building/Utilities/Related Expense-Tax Payments: Richardson ISD, Dallas County	0.00	181.13	0.00	181.13
IMA Inc-SDR Bond	1,200.00	0.00	0.00	1,200.00
Inventory/Storage Expenses	775.00	775.00	775.00	2,325.00

IT/Computer Fees	2,247.77	2,232.74	1,944.02	6,424.53
Mailing/Printing Expenses	305.62	96.99	85.60	488.21
Telephone	47.73	572.62	310.94	931.29
Investment Account Fees-US Bank (GA Stat Deposit)	6.17	0.00	0.00	6.17
Operating Account	72.35	89.65	70.37	232.37
Texas Treasury	88.86	96.58	92.51	277.95
Total Other	4,743.50	4,044.71	3,278.44	12,066.65
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	54,891.17	52,188.54	65,376.34	172,456.05
Liquidation Oversight Allocation				
RLO Allocation	6,335.22	6,711.08	5,762.72	18,809.02
Special Master's Fees	0.00	0.00	0.00	0.00
Total RLO & SM Expense	6,335.22	6,711.08	5,762.72	18,809.02
Total Expenses	61,226.39	58,899.62	71,139.06	191,265.07

R-554

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

**For the Period Ending
05/31/17**

Line		05/31/17
Cash		
1	Cash	
	Cash - Unrestricted	4,979,900
	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	25,026
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	40,625
Other Assets		
21	FF&E	
22	Other Assets	
	Total Assets	15,739,516

NOTES

Ref No.

10 Represents statutory deposits held with Georgia.

20 Represents receivable as a result of a contractual agreement with monthly installments of \$4,062.50 to March 1, 2018.

R-554

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

05/31/17

Line		02/28/17	05/31/17	Change
Cash				
1	Cash			
	Cash - Unrestricted	5,143,318	4,979,900	(163,418)
	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	25,006	25,026	20
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	52,813	40,625	(12,188)
Other Assets				
21	FF&E	0	0	0
22	Other Assets	0	0	0
	Total Assets	15,915,102	15,739,516	(175,586)

R-554

Santa Fe Auto Insurance Company
Statement of Net Liabilities

For Period Ending
05/31/17

Line		05/31/17
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	67,861
	Liquidation Oversight	
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	2,875,414
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	7,537,686
	LAE Reserves	485,102
Policy Claims - Class 2		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	9,413,956
	Loss Claims Reserves	1,897,731
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	23,449,640
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(7,710,124)
	Total Liabilities & Equity	15,739,516

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

**For Period Ending
05/31/17**

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

Represents amounts paid by Arkansas, Arizona, Georgia, New Mexico, Nevada, Oklahoma, Utah and Texas guaranty associations based on information received from UDS reports through May 31, 2017.
5 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.

Represents amounts based on information received from the Arkansas, Arizona, Georgia, New Mexico, Nevada, Oklahoma, Utah and Texas guaranty associations through May 31, 2017. The
6 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.

Represents amounts based on information received from the Arkansas, Arizona, Georgia, New Mexico, Nevada, Oklahoma, Utah and Texas guaranty associations through May 31, 2017. The
7 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 May 31, 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.

R-554

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

05/31/17

Line		02/28/17	05/31/17	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	61,737	67,861	6,124
	Liquidation Oversight	0	0	0
	Special Master's Fees	0	0	0
5	Administrative Claims - Guaranty Assns	0	0	0
	Administrative Expense Paid	2,816,764	2,875,414	58,650
	Administrative Expense Reserves	0	0	0
6	LAE - Guaranty Assns	0	0	0
	LAE Paid	7,475,874	7,537,686	61,812
	LAE Reserves	535,087	485,102	(49,985)
Policy Claims - Class 2				
7	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	9,312,924	9,413,956	101,032
	Loss Claims Reserves	2,133,288	1,897,731	(235,557)
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	23,507,564	23,449,640	(57,924)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(7,592,462)	(7,710,124)	(117,662)
	Total Liabilities & Equity	15,915,102	15,739,516	(175,586)

Santa Fe Auto Insurance Company
Sources & Uses of Cash

For Period Ending
05/31/17

	Qtr Ending May-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	1,548
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	13,735
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	7,982
Total Cash Receipts	21,717
Disbursements	
SDR Fees & Expenses	44,460
Subcontractor Legal Fees & Expenses	55,750
Subcontractor Other Fees & Expenses	53,473
Non-Subcontractor Fees & Expenses	0
Other Expenses	12,060
RLO Fees & Expenses	19,392
Total Disbursements for Operations	185,135
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	185,135
Net Increase(Decrease) in Cash	(163,418)
Cash at Beginning of Period	5,143,318
Cash at End of Period	4,979,900