

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
(SEPTEMBER 1, 2017 THROUGH NOVEMBER 30, 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 September 1, 2017 to November 30, 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 December 15, 2017, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (SEPTEMBER 1, 2017 TO NOVEMBER 30, 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@integriongroup.com
Via Email: sharil@integriongroup.com
Via Email: debbiel@integriongroup.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@koeppeptraylor.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

R-554

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

**For Period Ending
11/30/17**

	Total Sep	Total Oct	Total Nov	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	15,120.00	17,797.50	12,705.00	45,622.50
Partner/Attorney Travel	656.25	70.00	0.00	726.25
Partner/Attorney	122.50	105.00	122.50	350.00
Expenses	0.00	640.73	103.18	743.91
Total SDR Billing	15,898.75	18,613.23	12,930.68	47,442.66
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	7,040.00	9,800.00	6,320.00	23,160.00
Attorney-Travel	600.00	0.00	0.00	600.00
Expenses	1,047.11	1,338.25	2,596.45	4,981.81
Total Billing	8,687.11	11,138.25	8,916.45	28,741.81
Inquest Resources				
Paralegal	1,720.00	1,360.00	400.00	3,480.00
Receivership Specialist	1,215.00	870.00	165.00	2,250.00
Litigation Assistant/Records Mgr	198.00	202.50	76.50	477.00
Litigation Assistant/Records Mgr Travel	22.50	87.75	29.25	139.50
Expenses	178.17	145.37	16.90	340.44
Total Billing	3,333.67	2,665.62	687.65	6,686.94
Total Legal Subcontractors	12,020.78	13,803.87	9,604.10	35,428.75
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	544.00	493.00	544.00	1,581.00
Accountant	1,387.00	1,339.50	1,311.00	4,037.50
Expenses	30.38	42.10	23.64	96.12
Total Billing	1,961.38	1,874.60	1,878.64	5,714.62
Abaci, Inc.				
Project Manager	76.00	57.00	133.00	266.00
Technical Analyst	27.00	81.00	18.00	126.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	103.00	138.00	151.00	392.00
EMKAY Associates				
Claims Manager/	66.50	19.00	28.50	114.00
Claims Representative/	8,457.50	9,520.00	8,891.00	26,868.50
Claims Representative	4,182.00	4,870.50	5,125.50	14,178.00
Expenses	85.79			85.79
Total Billing	12,791.79	14,409.50	14,045.00	41,246.29
Total Other SDR Subcontractors	14,856.17	16,422.10	16,074.64	47,352.91
Receivership Service Providers				
Building/Utilities/Related Expense-Tax Payments: Richardson ISD, Dallas County	0.00	123.71	0.00	123.71
Karl Bayer-Mediation Expense	0.00	1,800.00	0.00	1,800.00

Jams-Mediation Expense	0.00	2,695.00	0.00	2,695.00
Inventory/Storage Expenses	775.00	775.00	775.50	2,325.50
IT/Computer Fees	1,590.15	1,864.02	1,944.02	5,398.19
Mailing/Printing Expenses	112.29	94.32	129.09	335.70
Telephone	310.79	310.00	310.34	931.13
Operating Account	77.36	86.59	84.34	248.29
Texas Treasury	91.07	88.51	90.76	270.34
Total Other	2,956.66	7,837.15	3,334.05	14,127.86
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	45,732.36	56,676.35	41,943.47	144,352.18
Liquidation Oversight Allocation				
RLO Allocation	5,136.60	5,356.52	6,378.60	16,871.72
Special Master's Fees	268.42	0.00	0.00	268.42
Total RLO & SM Expense	5,405.02	5,356.52	6,378.60	17,140.14
Total Expenses	51,137.38	62,032.87	48,322.07	161,492.32

R-554

Santa Fe Auto Insurance Company
Statement of Net Assets

For the Period Ending
11/30/17

Line		11/30/17
Cash		
1	Cash	
	Cash - Unrestricted	4,941,058
	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	
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	23,008
Other Assets		
21	FF&E	
22	Other Assets	
	Total Assets	15,658,031

NOTES

Ref No.

- ²⁰ Represents receivable of \$20,313 as a result of a contractual agreement with monthly installments of \$4,062.50 and a mediation fee refund of \$2,695 expected in December 2017.

R-554

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

11/30/17

Line		08/31/17	11/30/17	Change
Cash				
1	Cash			
	Cash - Unrestricted	4,831,095	4,941,058	109,963
	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	0	0	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	10,693,965	10,693,965	0
20	Other Receivables	28,438	23,008	(5,430)
Other Assets				
21	FF&E	0	0	0
22	Other Assets	0	0	0
Total Assets		15,553,498	15,658,031	104,533

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

**For Period Ending
11/30/17**

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 November 30, 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 November 30, 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 November 30, 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 November 30, 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

11/30/17

Line		08/31/17	11/30/17	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	45,526	44,988	(538)
	Liquidation Oversight	0	0	0
	Special Master's Fees	0	0	0
5	Administrative Claims - Guaranty Assns	0	0	0
	Administrative Expense Paid	2,929,065	2,951,048	21,983
	Administrative Expense Reserves	0	0	0
6	LAE - Guaranty Assns	0	0	0
	LAE Paid	7,658,839	7,766,584	107,745
	LAE Reserves	382,147	284,202	(97,945)
Policy Claims - Class 2				
7	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	9,649,762	9,737,235	87,473
	Loss Claims Reserves	1,612,910	1,392,568	(220,342)
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	238,393	238,393	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	23,450,120	23,348,496	(101,624)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(7,896,622)	(7,690,465)	206,157
	Total Liabilities & Equity	15,553,498	15,658,031	104,533

Santa Fe Auto Insurance Company
Sources & Uses of Cash

For Period Ending
11/30/17

	Qtr Ending Nov-17
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	258,125
Other Receipts	2,236
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	260,361
Interest & Dividend Receipts, EA Interest	7
Cash Deposit Interest	11,625
Total Cash Receipts	271,993
Disbursements	
SDR Fees & Expenses	52,512
Subcontractor Legal Fees & Expenses	33,041
Subcontractor Other Fees & Expenses	45,590
Non-Subcontractor Fees & Expenses	4,495
Other Expenses	10,029
RLO Fees & Expenses	16,363
Total Disbursements for Operations	162,030
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	162,030
Net Increase(Decrease) in Cash	109,963
Cash at Beginning of Period	4,831,095
Cash at End of Period	4,941,058