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COMPANY IN LIQUIDATION
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Attorney for Liquidator

IN THE THIRD JUDICIAL DISTRICT COURT,
SALT LAKE COUNTY, STATE OF UTAH, SALT LAKE DEPARTMENT

In re)	
)	
SOUTHERN AMERICAN INSURANCE)	QUARTERLY REPORT ON
COMPANY IN LIQUIDATION,)	STATUS OF LIQUIDATION
)	ESTATE FOR PERIOD ENDING
)	SEPTEMBER 30, 2012, AND
)	REQUEST FOR ORDER OF
)	APPROVAL
Respondent.)	
)	Civil No. 920901617
)	
)	Judge Todd M. Shaughnessy

The Court appointed Liquidator of Southern American Insurance Company in Liquidation (" SAIC"), Utah Insurance Commissioner, Neal T. Gooch, ("Liquidator"), and Special Deputy Liquidator, Rheta Beach, by and through counsel of record, file this Quarterly Report On Status Of Liquidation Estate For Period Ending September 30, 2012, And Request For Order Of Approval pursuant to the Liquidation Order issued March 26, 1992, and pursuant to Utah Code Annotated, Section 31A-27-314 (2006).

The Liquidator sets forth herein a Report on the status of the liquidation estate.

This status report is for the period beginning July 1, 2012 and ending September 30, 2012.

The Liquidator further requests the Court to issue an Order approving this Quarterly Report, including estate expenditures for the third quarter of 2012 in the amount of \$29,520.38. The Liquidator will provide a proposed order pursuant to Rule 7, Utah Code Annotated.

The Liquidator reports to the Court regarding significant and/or ongoing events and activities in the liquidation of SAIC since the Liquidator's last Quarterly Report to the Court, as follows:

1. The SAIC estate has no further liabilities to any claimants other than Class 1 Administrative expenses going forward to close the estate. The Liquidator is moving forward to close the SAIC estate pursuant to the Order of this Court entered on March 23, 2012. (See, Order of The Court on Liquidator's Report of The Liquidator Regarding The Status of SAIC in Liquidation and Application For Order For Final Distributions, Discharge of The Liquidator, and For Closure of The Estate Pursuant to U.C.A., Section 31A-27-339 (2006) on file in the Court record).
2. The Liquidator previously moved the Court, and the Court issued an order approving the ongoing destruction of any and all SAIC records not needed for the winding up of the SAIC estate. The Special Deputy Liquidator continued review of all SAIC liquidation estate records to determine the need for retention or destruction of SAIC estate records in preparation for closing of the SAIC liquidation estate, which is anticipated to occur in or about the fourth quarter, 2012.
3. The Liquidator previously determined that no additional federal taxes were

due from the SAIC estate in liquidation and filed SAIC's final tax return with the Internal Revenue Service on April 26, 2012. Further, an application was filed with the United States Department of Justice ("DOJ") requesting a federal Release from any and all claims, if any. As of the end of the third quarter 2012 no federal claims have been asserted and the Liquidator is working with and awaiting confirmation of a Release from the DOJ.

4. The Liquidator held a properly noticed "Status Conference" before the Court during the second quarter 2012, brought the Court up-to-date on the status of the SAIC estate in liquidation, and advised the Court of the remaining tasks to complete prior to moving the Court for an order of final closure of the SAIC estate. During the third quarter 2012 the Liquidator has been accomplishing the few remaining estate closure tasks.

5. The Liquidator will be filing a Motion with the Court during the fourth quarter 2012 seeking an order authorizing the Liquidator to deposit with the Utah State Treasurer all Class 6 unclaimed funds. It is anticipated, upon issuance of the Order sought, that such unclaimed Class 6 funds will be forwarded to the Utah State Treasurer during the fourth quarter 2012.

6. The Liquidator and Special Deputy Liquidator evaluate on a continuous basis the costs/benefits of estate activities leading to final closure of the SAIC estate. Additional information, regarding any estate closure function is available to the Court upon the Court's request. The Liquidator is proceeding to accomplish all remaining tasks for the closure the SAIC estate pursuant to the Order referenced in Paragraph 1 above. When all such estate closure tasks have been accomplished the Liquidator will

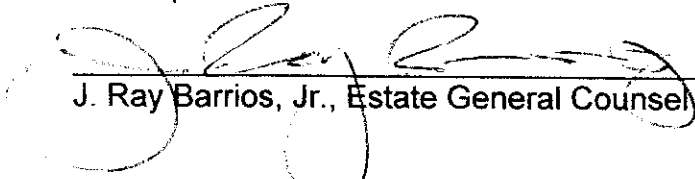
file with the Court a "Final Estate Post-Closure Report" seeking, among other things, final closure of this case and discharge of the Liquidator. The Liquidator will continue to keep the Court informed as to significant issues affecting the SAIC estate, if any, prior to final closure of the SAIC estate and discharge of the Liquidator.

Dated this 15th of November, 2012.

Southern American Insurance Company
In Liquidation


Rheta Beach, Special Deputy Liquidator

Southern American Insurance Company
In Liquidation


J. Ray Barrios, Jr., Estate General Counsel

CERTIFICATE OF MAILING

I hereby certify that I mailed a true and correct copy of the foregoing Quarterly Report On Status Of Liquidation Estate For Period Ending September 30, 2012 And Request For Order Of Approval, to the following claimants or parties who have requested general notice in this case, first class postage prepaid, this 15th day of November, 2012:

Utah Insurance Commissioner
Neal T. Gooch, in his capacity as Liquidator of SAIC
Utah Insurance Department
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Salt Lake City, Utah 84112

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Southern American Insurance Company in Liq.
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