

SOUTHERN AMERICAN INSURANCE COMPANY IN LIQUIDATION

Balance Sheet
December 31, 2011

Date of Liquidation - March 25, 1992

ASSETS

(1)	Cash and Cash Equivalents		\$177,008
(2)	Short-Term Investments		\$0
(3)	Bonds		\$0
(4)	Stocks		
	(a) Preferred	\$0	
	(b) Common	\$0	\$0
(5)	Mortgage Loans		\$0
(6)	Real Estate		\$0
(7)	Policy Loans		\$0
(8)	Other Invested Assets		\$0
(9)	Advances to Guaranty Associations		\$0
(10)	Recoverable from Reinsurers		
	(a) Paid Losses	\$0	
	(b) Unpaid Losses	\$0	\$0
(11)	Salvage and Subrogation Recoverables		\$0
(12)	Premiums Due and Accrued		\$0
(13)	Agent's Balances		\$0
(14)	Receivable from Affiliates		\$0
(15)	Accrued Investment Income		\$0
(16)	Other Assets - Lease deposit & Federal Tax Receivable		\$75,007
	(17) Total Unrestricted Assets		\$252,015
(18)	Restricted Assets		\$0
	(19) Total Assets		\$252,015

Note: This report utilizes the reporting format for Receiverships established by the National Association of Insurance Commissioners, which does not address valuation methods. The values utilized may vary significantly from Statutory Accounting Principles.

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LIABILITIES

(1)	Secured Claims	\$0
(2)	Class 1	\$222,000 (1)
(3)	Class 2	\$0 (2)
(4)	Class 3	\$0 (2)
(5)	Class 4	\$0 (2)
(6)	Class 5	\$0 (2)
(7)	Class 6	\$7,958,733 (3)
(8)	Class 7 and 8	\$0
(9)	Class 9	\$0
(10)	Total Liabilities	\$8,180,733
	Claim Determinations Currently Subject to Appeal	\$0
(11)	Excess (Deficiency) of Assets over Liabilities	-\$7,928,718
(12)	TOTAL	\$252,015

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Note 1: Class 1 claims represent estimated liabilities for current and future administrative expenses of the estate. This estimated liability will be adjusted annually, as appropriate.

Note 2: Class 2 - Class 5 claims have been paid at 100%.

Note 3: Class 6 claims represents amounts finally approved by the court less a 33.5% distribution.

SOUTHERN AMERICAN INSURANCE COMPANY IN LIQUIDATION

Statement of Receipts and Disbursements

Three Months Ended December 31, 2011

Date of Liquidation - March 25, 1992

	<u>Current Quarter</u> <u>Oct. 1-Dec. 31, 2011</u>	<u>Liquidation</u> <u>Period to Date</u> <u>03/25/92-12/31/11</u>
RECEIPTS		
Marshaling of Estate Assets:		
(1) Premium Receipts		
(2) Rental Receipts	\$0	\$36,623
(3) Mortgages Receivable:		
(a) Principle	\$0	\$1,895,540
(b) Interest		
(4) Policy Loan Receipts:		
(a) Principle		
(b) Interest		
(5) Proceeds from Sales:		
(a) Real Estate	\$0	\$8,758,079
(b) PP&E	\$0	\$490,237
(6) Reinsurance Recoveries	\$176	\$80,097,439
(7) Agents Balances Received	\$0	\$235,672
(8) Collection of Affiliate Receivables	\$0	\$3,172,330
(9) Salvage and Subrogation Recoveries	\$0	\$1,204,866
(10) Recovery of Taxes previously Paid	\$0	\$0
(11) Other Receipts	\$0	\$16,079,277
(12) Receipts before Investment Activities	<u>\$176</u>	<u>\$111,970,063</u>
(13) Interest and Dividend Receipts	\$8	\$29,487,859
(14) Proceeds from Sales and Maturities of:		
(a) Short-Term Investments		
(b) Bonds	\$0	\$217,976,904
(c) Stocks	\$0	\$34,534
(15) Receipts from Investment Activities	<u>\$8</u>	<u>\$247,499,297</u>
(16) Total Cash Receipts	<u><u>\$184</u></u>	<u><u>\$359,469,360</u></u>

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SOUTHERN AMERICAN INSURANCE COMPANY IN LIQUIDATION

Statement of Receipts and Disbursements

Three Months Ended December 31, 2011

Date of liquidation - March 25, 1992

	Current Quarter <u>Oct. 1-Dec. 31, 2011</u>	Liquidation Period to Date <u>03/25/92-12/31/11</u>
<u>DISBURSEMENTS & DISTRIBUTIONS</u>		
(1) Losses/Benefit Payments	\$0	\$142,933
(2) LAE Payments		
(3) Reinsurance Payments		
(4) Legal Fees	\$1,806	\$10,715,948
(5) Audit/Accounting Fees	\$0	\$1,266,289
(6) Receiver Fees	\$27,594	\$3,002,936
(7) Consulting Fees	\$9,162	\$13,199,082
(8) Salaries	\$0	\$6,586,777
(9) Employee Benefits	\$0	\$516,866
(10) Payroll and Other Taxes	\$0	\$860,149
(11) Rent and Related Expenses	\$9,735	\$2,030,755
(12) Office Expenses	\$4,384	\$1,259,493
(13) Other Disbursements	\$0	\$715,121
(14) Disbursements	<u>\$52,681</u>	<u>\$40,296,349</u>
(15) Distributions:		
(a) Distributions of Assets	\$0 (1)	\$100,331,959 (1)
(b) Early Access Distribution	\$0	\$0
(16) Distributions	<u>\$0</u>	<u>\$100,331,959</u>
(17) Disbursements & Distributions before Investment Activities	<u>\$52,681</u>	<u>\$140,628,308</u>
(18) Investment Expenses		\$89,463
(19) Purchases of:		
(a) Short-Term Investments		
(b) Bonds	\$0	\$218,493,992
(c) Stocks	\$0	\$14,663
(d) Other Investments	\$0	\$1,541,171
(20) Disbursements for Investment Activities	<u>\$0</u>	<u>\$220,139,289</u>
(21) Total Cash Disbursements & Distributions	<u>\$52,681</u>	<u>\$360,767,596</u>
(22) Net Increase (Decrease) in Cash	-\$52,497	-\$1,298,236
(23) Cash at Beginning of Period	<u>\$229,505</u>	<u>\$1,475,244</u>
(24) Cash at End of Period	<u><u>\$177,008</u></u>	<u><u>\$177,008</u></u>

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Note 1: A distribution of 100% was made on all Class 2-Class 5 claims as finally determined.
A distribution of 33.5% was made on all Class 6 claims as finally determined.