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HEALTH QUARTERLY STATEMENT

As of June 30, 2002

of the Condition and Affairs of the

Molina Healthcare of Michigan, Inc.

NAIC Group Code..... 1531, 1531 (Current Period) (Prior Period) NAIC Company Code..... 52630 Employer's ID Number..... 38-3341599

Organized under the Laws of Michigan State of Domicile or Port of Entry Michigan

Country of Domicile US

Licensed as Business Type Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ] Dental Service Corporation [ ] Vision Service Corporation [ ] Health Maintenance Organization [X] Other [ ]

Is HMO Federally Qualified? Yes [ ] No [X]

Date Incorporated or Organized..... February 10, 1997 Date Commenced Business..... January 1, 1998

Statutory Home Office	100 West Big Beaver, Suite 600 ..... Troy ..... MI ..... 48084-5209 *(Street and Number) (City or Town, State and Zip Code)*	
Address of Main Administrative Office	100 West Big Beaver, Suite 600 ..... Troy ..... MI ..... 48084-5209 *(Street and Number) (City or Town, State and Zip Code)*	248-925-1700 *(Area Code) (Telephone Number)*
Mail Address	100 West Big Beaver, Suite 600 ..... Troy ..... MI ..... 48084-5209 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	100 West Big Beaver, Suite 600 ..... Troy ..... MI ..... 48084-5209 *(Street and Number) (City or Town, State and Zip Code)*	248-925-1700 *(Area Code) (Telephone Number)*
Internet Website Address	www.molinahealthcare.com	
Statement Contact	Michael Tegler *(Name)*	248-925-1700 *(Area Code) (Telephone Number) (Extension)*
	MichaelT@MolinaMedical.Com *(E-Mail Address)*	*248-454-1082* *(Fax Number)*
Policyowner Relations Contact	100 West Big Beaver, Suite 600 ..... Troy ..... MI ..... 48084-5209 *(Street and Number) (City or Town, State and Zip Code)*	248-925-1700 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

President ..... Roman T Kulich
Treasurer ..... Michael Tegler
Secretary ..... Mark L Andrews

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Joseph M Molina MD	George S Goldstein	John C Molina	Mark Andrews
John Jamian	Ronna Romney	Dean G Smith MD	Patricia A McKenzie
Kathryn F Crawford	Sharon Marzicola	Roman T Kulich	Terri Griffen
Ron Nelson			

State of..... Michigan
County of..... Oakland

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the *NAIC Annual Statement Instructions* and *Accounting Practices and Procedures* manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)	(Signature)	(Signature)
Roman T Kulich	Mark L Andrews	Michael Tegler
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Treasurer

Subscribed and sworn to before me this

.....day of ....., 2002

.....

ASSETS

	Current Period 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	Prior Year 4 Net Admitted Assets
1. Bonds			0	
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....0 encumbrances)			(a) 0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....11,110,287) and short-term investments ($.....1,259,298)	12,369,585		12,369,585	14,048,081
6. Other long-term invested assets			0	
7. Receivable for securities			0	
8. Aggregate write-ins for invested assets	0	0	0	0
9. Subtotal, cash and invested assets (Lines 1 to 8)	12,369,585	0	12,369,585	14,048,081
10. Accident and health premiums due and unpaid			0	
11. Health care receivables	2,738,215	13,834	2,724,381	3,297,165
12. Amounts recoverable from reinsurers			0	
13. Net adjustment in assets and liabilities due to foreign exchange rates			0	
14. Investment income due and accrued	1,665		1,665	2,577
15. Amounts due from parent, subsidiaries and affiliates	431,924		431,924	213,838
16. Amounts receivable relating to uninsured accident and health plans			0	
17. Furniture and equipment	169,063		169,063	66,556
18. Amounts due from agents			0	
19. Federal and foreign income tax recoverable and interest thereon (including $.....224,968 net deferred tax asset)	319,878	94,910	224,968	262,326
20. Electronic data processing equipment and software			0	
21. Other nonadmitted assets			0	
22. Aggregate write-ins for other than invested assets	3,975,792	3,975,792	0	0
23. Total assets (Lines 9 plus 10 through 22)	20,006,122	4,084,536	15,921,586	17,890,543

DETAILS OF WRITE-INS

0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)	0	0	0	0
2201. Prepaid Expenses	67,562	67,562	0	
2202. Deposits	11,819	11,819	0	
2203. Patient Files	68,746	68,746	0	
2298. Summary of remaining write-ins for Line 22 from overflow page	3,827,665	3,827,665	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above)	3,975,792	3,975,792	0	0

(a) $.....0 health care delivery assets included in Line 4.1, Column 3.

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)	8,208,634		8,208,634	9,530,324
2. Accrued medical incentive pool and bonus payments	289,906		289,906	483,167
3. Unpaid claims adjustment expenses			0	
4. Aggregate policy reserves			0	
5. Aggregate claim reserves			0	
6. Premiums received in advance			0	
7. General expenses due or accrued	395,575		395,575	581,368
8. Federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses)) (including $.....0 net deferred tax liability)			0	
9. Amounts withheld or retained for the account of others			0	
10. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
11. Amounts due to parent, subsidiaries and affiliates	487,607		487,607	1,409,111
12. Payable for securities			0	
13. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)			0	
14. Reinsurance in unauthorized companies			0	
15. Net adjustments in assets and liabilities due to foreign exchange rates			0	
16. Liability for amounts held under uninsured accident and health plans			0	
17. Aggregate write-ins for other liabilities (including $.....0 current)	0	0	0	0
18. Total liabilities (Lines 1 to 17)	9,381,722	0	9,381,722	12,003,970
19. Common capital stock	XXX	XXX	159,000	159,000
20. Preferred capital stock	XXX	XXX		
21. Gross paid in and contributed surplus	XXX	XXX	8,255,029	8,255,029
22. Surplus notes	XXX	XXX		
23. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
24. Unassigned funds (surplus)	XXX	XXX	(1,874,165)	(2,527,456)
25. Less treasury stock at cost:				
25.1 .....0.000 shares common (value included in Line 19 $.....0)	XXX	XXX		
25.2 .....0.000 shares preferred (value included in Line 20 $.....0)	XXX	XXX		
26. Total capital and surplus (Lines 19 to 24 less 25)	XXX	XXX	6,539,864	5,886,573
27. Total liabilities, capital and surplus (Lines 18 and 26)	XXX	XXX	15,921,586	17,890,543

DETAILS OF WRITE-INS

1701.			0	
1702.			0	
1703.			0	
1798. Summary of remaining write-ins for Line 17 from overflow page	0	0	0	0
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above)	0	0	0	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year-to-Date		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months	XXX	167,330	294,802
2. Net premium income	XXX	24,264,471	43,345,256
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of $.....0 medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Total revenues (Lines 2 to 6)	XXX	24,264,471	43,345,256
Medical and Hospital:			
8. Hospital/medical benefits		9,723,425	18,992,738
9. Other professional services		299,647	562,424
10. Outside referrals		3,425,300	5,726,286
11. Emergency room and out-of-area		1,404,149	2,333,559
12. Prescription Drugs		4,496,612	7,563,453
13. Aggregate write-ins for other medical and hospital	0	224,190	502,646
14. Incentive pool and withhold adjustments		108,347	280,000
15. Subtotal (Lines 8 to 14)	0	19,681,670	35,961,106
Less:			
16. Net reinsurance recoveries		65,762	19,162
17. Total medical and hospital (Lines 15 minus 16)	0	19,615,908	35,941,944
18. Claims adjustment expenses		91,360	378,612
19. General administrative expenses		3,750,578	6,014,265
20. Increase in reserves for accident and health contracts			
21. Total underwriting deductions (Lines 17 through 20)	0	23,457,846	42,334,821
22. Net underwriting gain or (loss) (Lines 7 minus 21)	XXX	806,625	1,010,435
23. Net investment income earned		101,993	352,227
24. Net realized capital gains or (losses)			
25. Net investment gains or (losses) (Lines 23 plus 24)	0	101,993	352,227
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
27. Aggregate write-ins for other income or expenses	0	0	232,766
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27)	0	908,618	1,595,428
29. Federal and foreign income taxes incurred	XXX	254,986	1,110,311
30. Net income (loss) (Lines 28 minus 29)	XXX	653,632	485,117

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
1301. Patient Transportation		224,190	406,477
1302. Other Health Care Costs			96,169
1303.			
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	224,190	502,646
2701. Miscellaneous Income			187
2702. Rental Income			232,579
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0	232,766

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year-to-Date	2 Prior Year
31. Capital and surplus prior reporting period	5,886,573	2,860,664
GAINS AND LOSSES TO CAPITAL & SURPLUS		
32. Net income or (loss) from Line 30	653,632	485,117
33. Change in valuation basis of aggregate policy and claim reserves		
34. Net unrealized capital gains and losses		
35. Change in net unrealized foreign exchange capital gain or (loss)		
36. Change in net deferred income tax	(67,294)	408,457
37. Change in nonadmitted assets	66,953	(23,782)
38. Change in unauthorized reinsurance		
39. Change in treasury stock		
40. Change in surplus notes		
41. Cumulative effect of changes in accounting principles		
42. Capital changes:		
42.1 Paid in		
42.2 Transferred from surplus (Stock Dividend)		
42.3 Transferred to surplus		
43. Surplus adjustments:		
43.1 Paid in		2,156,117
43.2 Transferred to capital (Stock Dividend)		
43.3 Transferred from capital		
44. Dividends to stockholders		
45. Aggregate write-ins for gains or (losses) in surplus	0	0
46. Net change in capital and surplus (Lines 32 to 45)	653,291	3,025,909
47. Capital and surplus end of reporting period (Line 31 plus 46)	6,539,864	5,886,573

DETAILS OF WRITE-INS

4501.		
4502.		
4503.		
4598. Summary of remaining write-ins for Line 45 from overflow page	0	0
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above)	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums and revenues collected net of reinsurance	24,778,084	44,006,301
2. Claims and claims adjustment expenses	21,163,048	34,968,001
3. General administrative expenses paid	3,936,371	5,930,743
4. Other underwriting income (expenses)		232,766
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	(321,335)	3,340,323
6. Net Investment income	102,905	349,650
7. Other income (expenses)	883	5,919
8. Federal and foreign income taxes (paid) recovered	(187,692)	(65,973)
9. Net cash from operations (Lines 5 to 8)	(405,239)	3,629,919
CASH FROM INVESTMENTS		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds		
10.2 Stocks		
10.3 Mortgage loans		
10.4 Real estate		
10.5 Other invested assets		
10.6 Net gains or (losses) on cash and short-term investments		
10.7 Miscellaneous proceeds		
10.8 Total investment proceeds (Lines 10.1 to 10.7)	0	0
11. Cost of investments acquired (long-term only):		
11.1 Bonds		
11.2 Stocks		
11.3 Mortgage loans		
11.4 Real estate		
11.5 Other invested assets		
11.6 Miscellaneous applications		
11.7 Total investments acquired (Lines 11.1 to 11.6)	0	0
12. Net cash from investments (Line 10.8 minus Line 11.7)	0	0
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in		2,156,117
13.2 Net transfers from affiliates		1,428,203
13.3 Borrowed funds received		
13.4 Other cash provided		323,033
13.5 Total (Lines 13.1 to 13.4)	0	3,907,353
14. Cash applied:		
14.1 Dividends to stockholders paid		
14.2 Net transfers to affiliates	1,139,590	
14.3 Borrowed funds repaid		
14.4 Other applications	133,667	201,080
14.5 Total (Lines 14.1 to 14.4)	1,273,257	201,080
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	(1,273,257)	3,706,273
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	(1,678,496)	7,336,192
17. Cash and short-term investments:		
17.1 Beginning of period	14,048,081	6,711,889
17.2 End of period (Line 16 plus Line 17.1)	12,369,585	14,048,081

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plans	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
1. Prior Year	25,732								25,732	
2. First Quarter	27,719								27,719	
3. Second Quarter	28,593								28,593	
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	167,330								167,330	
Total Member Ambulatory Encounters for Period:										
7. Physician	99,394								99,394	
8. Non-Physician	6,359								6,359	
9. Total	105,753	0	0	0	0	0	0	0	105,753	0
10. Hospital Patient Days Incurred	4,711								4,711	
11. Number of Inpatient Admissions	942								942	
12. Premiums Collected	24,828,132								24,828,132	
13. Premiums Earned	24,264,471								24,264,471	
14. Amount Paid for Provision of Health Care Services	21,163,048								21,163,048	
15. Amount Incurred for Provision of Health Care Services	19,615,908								19,615,908	

CLAIMS PAYABLE (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Payable (Reported)						
0399999. Aggregate Accounts Not Individually Listed-Covered	677,729					677,729
0499999. Subtotals	677,729	0	0	0	0	677,729
0599999. Unreported Claims and Other Claim Reserves						7,530,905
0799999. Total Claims Payable						8,208,634
0899999. Accrued Medical Incentive Pool						289,906

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (Hospital and Medical)					0	
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan Premiums					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid	6,785,188	14,076,253	999,872	7,208,762	7,785,060	9,530,324
8. Other					0	
9. Subtotal	6,785,188	14,076,253	999,872	7,208,762	7,785,060	9,530,324
10. Medical incentive pools, accruals and disbursements	301,607		181,560	108,346	483,167	483,167
11. Totals	7,086,795	14,076,253	1,181,432	7,317,108	8,268,227	10,013,491

NOTES TO FINANCIAL STATEMENTS

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements? Yes [ ] No [X]

1.2 If yes, explain:.....

2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

2.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

3.2 If yes, date of change: .....
If not previously filed, furnish herewith a certified copy of the instrument as amended.

4. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]
If yes, attach an organizational chart.

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]

If yes, attach an explanation.

7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....

7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .....

7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .....

7.4 By what department or departments?.....

8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [ ] No [X]

8.2 If yes, give full information:

GENERAL INTERROGATORIES (continued)

INVESTMENT

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

9.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [ ] No [X]

9.2 If yes, explain:.....

10.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

10.2 If yes, give full and complete information relating thereto:

11. Amount of real estate and mortgages held in other invested assets in Schedule BA: $.....

12. Amount of real estate and mortgages held in short-term investments: $.....

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

13.2 If yes, please complete the following:

	1 Prior Year-End Statement Value	2 Current Quarter Statement Value
13.21 Bonds	$.....0	$.....0
13.22 Preferred Stock	$.....0	$.....0
13.23 Common Stock	$.....0	$.....0
13.24 Short-Term Investments	$.....0	$.....0
13.25 Mortgages, Loans or Real Estate	$.....0	$.....0
13.26 All Other	$.....0	$.....0
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)	$.....0	$.....0
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above	$.....0	$.....0
13.29 Receivable from Parent not included in Lines 13.21 to 13.26 above	$.....0	$.....0

14.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

14.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]
If no, attach a description with this statement.

15. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

15.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Standard Federal Bank	2600 West Big Beaver Road, Troy, Michigan 48084
Cadre Financial Services Inc.	905 Marconi Avenue, Ronkonkoma, NY 11779

15.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

15.3 Have there been any changes, including name changes, in the custodian(s) identified in 15.1 during the current year? Yes [ ] No [X]

15.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

15.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
Cadre Financial Services Inc.	Robert Brownlee	905 Marconi Avenue, Ronkonkoma, NY 11779

SCHEDULE A - VERIFICATION

NONE

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	0	0	0	
2. Increase (decrease) by adjustment				
3. Cost of acquired				
4. Cost of additions to and permanent improvements				
5. Total profit (loss) on sales				
6. Increase (decrease) by foreign exchange adjustment				
7. Amount received on sales				
8. Book/adjusted carrying value at end of current period	0	0	0	0
9. Total valuation allowance				
10. Subtotal (Lines 8 plus 9)	0	0	0	0
11. Total nonadmitted amounts				
12. Statement value, current period (Page 2, real estate lines, current period)	0	0	0	0

SCHEDULE B - VERIFICATION

NONE

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/recorded investment excluding accrued interest on mortgages owned, beginning of period	0	0	0	
2. Amount loaned during period:				
2.1 Actual cost at time of acquisitions				
2.2 Additional investment made after acquisitions				
3. Accrual of discount and mortgage interest points and commitment fees				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0	0	0
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	0	0	0	0
12. Total nonadmitted amounts				
13. Statement value of mortgages owned at end of current period	0	0	0	0

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

NONE

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, beginning of period	0	0	0	
2. Cost of acquisitions during period:				
2.1 Actual cost at time of acquisitions				
2.2 Additional investment made after acquisitions				
3. Accrual of discount				
4. Increase (decrease) by adjustment				
5. Total profit (loss) on sale				
6. Amounts paid on account or in full during the period				
7. Amortization of premium				
8. Increase (decrease) by foreign exchange adjustment				
9. Book/adjusted carrying value of long-term invested assets at end of current period	0	0	0	0
10. Total valuation allowance				
11. Subtotal (Lines 9 plus 10)	0	0	0	0
12. Total nonadmitted amounts				
13. Statement value of long-term invested assets at end of current period	0	0	0	0

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Statement Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Statement Value End of First Quarter	6 Statement Value End of Second Quarter	7 Statement Value End of Third Quarter	8 Statement Value December 31 Prior Year
BONDS								
1. Class 1	1,254,283	5,015			1,254,283	1,259,298		1,250,170
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	1,254,283	5,015	0	0	1,254,283	1,259,298	0	1,250,170
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	1,254,283	5,015	0	0	1,254,283	1,259,298	0	1,250,170

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Amount of Interest Received Current Quarter	5 Paid for Accrued Interest
8099999. Totals	1,259,298	XXX	1,259,298	5,015	

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

	1 First Quarter Current Year	2 Second Quarter Current Year	3 Third Quarter Current Year	4 Prior Year Ended December 31
1. Book/adjusted carrying value, beginning of period	1,250,170	1,254,283	0	1,201,555
2. Cost of short-term investments acquired	4,113	5,015		48,614
3. Increase (decrease) by adjustment				1
4. Increase (decrease) by foreign exchange adjustment				
5. Total profit (loss) on disposal of short-term investments				
6. Consideration received on disposal of short-term investments				
7. Book/adjusted carrying value, current period	1,254,283	1,259,298	0	1,250,170
8. Total valuation allowance				
9. Subtotal (Lines 7 plus 8)	1,254,283	1,259,298	0	1,250,170
10. Total nonadmitted amounts				
11. Statement value (Lines 9 minus 10)	1,254,283	1,259,298	0	1,250,170
12. Income collected during period	5,113	5,015		48,614
13. Income earned during period	4,205	5,010		51,191

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. S
NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	1	2	Direct Business Only Year-to-Date			
			3	4	5	6
State, Etc.	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums
1. Alabama AL	No	No				
2. Alaska AK	No	No				
3. Arizona AZ	No	No				
4. Arkansas AR	No	No				
5. California CA	No	No				
6. Colorado CO	No	No				
7. Connecticut CT	No	No				
8. Delaware DE	No	No				
9. District of Columbia DC	No	No				
10. Florida FL	No	No				
11. Georgia GA	No	No				
12. Hawaii HI	No	No				
13. Idaho ID	No	No				
14. Illinois IL	No	No				
15. Indiana IN	No	No				
16. Iowa IA	No	No				
17. Kansas KS	No	No				
18. Kentucky KY	No	No				
19. Louisiana LA	No	No				
20. Maine ME	No	No				
21. Maryland MD	No	No				
22. Massachusetts MA	No	No				
23. Michigan MI	No	Yes			24,264,471	
24. Minnesota MN	No	No				
25. Mississippi MS	No	No				
26. Missouri MO	No	No				
27. Montana MT	No	No				
28. Nebraska NE	No	No				
29. Nevada NV	No	No				
30. New Hampshire NH	No	No				
31. New Jersey NJ	No	No				
32. New Mexico NM	No	No				
33. New York NY	No	No				
34. North Carolina NC	No	No				
35. North Dakota ND	No	No				
36. Ohio OH	No	No				
37. Oklahoma OK	No	No				
38. Oregon OR	No	No				
39. Pennsylvania PA	No	No				
40. Rhode Island RI	No	No				
41. South Carolina SC	No	No				
42. South Dakota SD	No	No				
43. Tennessee TN	No	No				
44. Texas TX	No	No				
45. Utah UT	No	No				
46. Vermont VT	No	No				
47. Virginia VA	No	No				
48. Washington WA	No	No				
49. West Virginia WV	No	No				
50. Wisconsin WI	No	No				
51. Wyoming WY	No	No				
52. American Samoa AS	No	No				
53. Guam GU	No	No				
54. Puerto Rico PR	No	No				
55. U.S. Virgin Islands VI	No	No				
56. Canada CN	No	XXX				
57. Aggregate Other alien OT	XXX	XXX	0	0	0	0
58. Total (Direct Business)	XXX	(a) 1	0	0	24,264,471	0

DETAILS OF WRITE-INS

5701.				
5702.				
5703.				
5798. Summary of remaining write-ins for line 57 from overflow page	0	0	0	0
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above)	0	0	0	0

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

Company Code	ST	Fed ID #	Name of Company
00000	CA	33-0876972	Molina Healthcare, Inc.
|-00000	CA	33-0342719	Molina Healthcare of California, Inc.
|-52630	MI	38-3341599	Molina Healthcare of Michigan, Inc.
|-95502	UT	33-0617992	Molina Healthcare of Utah, Inc.
|-96270	WA	91-1284790	Molina Healthcare of Washington, Inc.
|-00000	UT	87-0641493	Molina Advantage, Inc.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	RESPONSE
1. Will the SVO Compliance Certification be filed with this statement?	YES

EXPLANATION:

BAR CODE:

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Period			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
2204. Goodwill	3,827,665	3,827,665	0	
2297. Summary of remaining write-ins for Line 22 from Assets	3,827,665	3,827,665	0	0

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

Sch. D-Part 3
NONE

Sch. D-Part 4
NONE

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	Book Balance at End of Each Month During Current Quarter			8
Depository		Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	5 First Month	6 Second Month	7 Third Month	*
Open Depositories								
Bank One	Detroit, Michigan	1.280	35,035		10,095,448	10,503,981	10,468,002	
Standard Federal Bank	Troy, Michigan				6,176	5,391	4,990	
Cadre Securities	Ronkonkoma, New York	1.110	11,787		3,238,226	3,039,319	2,743,746	
US Bank	Helena, Montana				(1,506,560)	(1,960,719)	(2,106,551)	
0199999. Total Open Depositories		XXX	46,822	0	11,833,290	11,587,972	11,110,187	XXX
0399999. Total Cash on Deposit		XXX	46,822	0	11,833,290	11,587,972	11,110,187	XXX
0499999. Cash in Company's Office		XXX	XXX	XXX	100	100	100	XXX
0599999. Total Cash		XXX	46,822	0	11,833,390	11,588,072	11,110,287	XXX