

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF INGHAM

In the Matter of CADILLAC INSURANCE COMPANY,
IN LIQUIDATION

BILL SCHUETTE, Attorney General
of the State of Michigan, ex rel
R. KEVIN CLINTON, Director of the
Department of Financial and Insurance Services
of the State of Michigan,

File No.: 89-64126-CR

Hon. William E. Collette

Petitioners,

vs.

CADILLAC INSURANCE COMPANY,
a Michigan Corporation,

Respondent.

MARK J. ZAUSMER (P31721)
Special Assistant Attorney General
AMY SITNER APPLIN (P46900)
ZAUSMER, KAUFMAN, AUGUST
& CALDWELL, P.C.
Attorneys for Petitioners
31700 Middlebelt Road, Suite 150
Farmington Hills, MI 48334
(248) 851-4111

NOTICE OF HEARING

PLEASE TAKE NOTICE THAT the Receiver's Petition for Order Approving Plan for Final Distribution, Including Partial Distribution of Estate Assets, Final Disallowance of Class 2 Claims, Establishment of Administrative Reserve For Wind-Up Expenses and for Related Relief and Annual Narrative and Financial Report to Receivership Court will be brought on for

hearing before this Honorable Court on Wednesday, June 5, 2013, at 9:00 a.m. or as soon thereafter
as counsel may be heard.

ZAUSMER, KAUFMAN, AUGUST,
& CALDWELL, P.C.



MARK J. ZAUSMER (P31721)
Special Assistant Attorney General
AMY SITNER APPLIN (P46900)
Attorneys for Petitioners
31700 Middlebelt Road, Suite 150
Farmington Hills, MI 48334
(248) 851-4111

Dated: April 22, 2013

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RECEIVER'S PETITION FOR ORDER
APPROVING PLAN FOR FINAL DISTRIBUTION,
INCLUDING PARTIAL DISTRIBUTION OF ESTATE ASSETS,
FINAL DISALLOWANCE OF CLASS 2 CLAIMS,
ESTABLISHMENT OF ADMINISTRATIVE RESERVE FOR WIND-UP EXPENSES
AND FOR RELATED RELIEF
AND
ANNUAL NARRATIVE AND FINANCIAL REPORT TO RECEIVERSHIP COURT

REPORT NO. 31

R. Kevin Clinton, Director of the Department of Financial and Insurance Services, in his capacity as Receiver of Cadillac Insurance Company in Liquidation (“Cadillac”), through his attorneys, Zausmer, Kaufman, August & Caldwell, P.C., consistent with former Chapter 78 of the Insurance Code of 1956 and with the 4th Amended Claims Adjudication Procedures approved by this Court, asks the Court to enter an Order approving a plan for final Distribution, including an interim distribution of estate assets, final disallowance of Class 2 claims, establishment of an administrative reserve to cover the anticipated wind-up expenses of the estate, and for related relief, as further specified below. In addition, the Receiver provides his annual narrative and financial report regarding the estate. In support of this Petition, the Receiver states as follows:

GENERAL BACKGROUND

1. The Court is aware of the extensive background related to this insurance liquidation proceeding.¹
2. On August 3, 2011, this Court entered its Order Approving Plan for Interim Distribution of Estate Assets. Under that Order, the Receiver distributed \$17,490,128 from the Cadillac estate, consisting of the following:
 - a. Full and final payment of incurred and reserved guaranty fund administrative expenses in the amount of \$2,709,323 on terms stated in accompanying Agreements for Disbursement of Funds (“Interim Distribution Agreements”) between the Receiver and the relevant guaranty associations.

¹ The detailed history of the Cadillac estate is available in the various reports filed with this Court and is summarized in the Petition for Approval of Plan of Interim Distribution of Estate Assets, filed July 5, 2011 (the “Interim Distribution Petition”). The Interim Distribution Petition explains the applicability of former Chapter 78 of the Insurance Code, MCL 500.7800, et seq., to this matter and attaches a copy of Chapter 78. The Interim Distribution Petition can be accessed online at the following address: http://www.michigan.gov/documents/lara/Petition_to_Approve_Plan_of_Interim_Distribution_with_exhibits_-_Part_1_358105_7.pdf.

- b. A partial pro rata distribution of \$14,780,805 to preferred claimants under MCL 500.7834 (“Class 1 Claims”), which includes claims of policyholders, policy claimants and guaranty associations, amounting to fifty percent (50%) of their approved claim amounts. The above-referenced Interim Distribution Agreements also apply to this pro rata distribution with respect to guaranty associations.

3. By this Petition, the Receiver presents the current financial and narrative information regarding the Cadillac estate and also seeks to (1) establish a reserve for administrative expenses related to wind-up and closure of the estate; (2) obtain approval for an additional partial distribution to Class 1 creditors consisting of all estate assets above the amount of the administrative expense reserve and (3) formalize disallowance of Class 2 claims.

ANNUAL NARRATIVE UPDATE FOR 2012

4. Throughout 2012, the Receiver continued to manage the day-to-day administration of the estate, including all legal, administrative, claims handling and accounting functions. The estate retains one full time employee and utilizes part-time students and outside labor as necessary.

5. The estate has maintained offices at the Bingham Office Center location for several years. Cadillac’s current lease, entered into in 2009 and originally set to expire in June 2012, was extended to the expiration date of December 31, 2013.

6. Primary attention to details regarding the anticipated wind-up and final distributions to all claimants was the focus in 2012. Our ultimate goal is an efficient and timely resolution of all matters related to the final closure of the estate by December 31, 2013.

7. At December 31, 2012,

- a. All estate assets known to the Receiver have been marshaled.
- b. Cash is conservatively invested in Business Savings and Certificates of Deposit. These investments yield a modest but consistent return. Income from these investments inures to the benefit of claimants and creditors of the estate.

- c. Administrative Expense recoveries from sub-tenants and shared expenses remain a source of income to the estate, which inures to the benefit of claimants and creditors of the estate.
- d. All matters reported in previously-filed Annual Reports as pending have been resolved.

ANNUAL FINANCIAL REPORTING FOR 2012

8. As required by the Court, attached as **Exhibit A** is the complete financial reporting for the estate as of December 31, 2012. This includes:

BALANCE SHEET

INCOME STATEMENT

NOTES TO FINANCIALS

LOSSES INCURRED PAYABLE SCHEDULE

LOSS ADJUSTMENT EXPENSE/ADMINISTRATIVE EXPENSE
PAYABLE SCHEDULE

INVESTMENT INCOME EARNED SCHEDULE

LEGAL EXPENSE SUMMARY

CASH RECEIPTS SUMMARY

CASH RECEIPTS DETAIL

CASH DISBURSEMENTS SUMMARY

CASH DISBURSEMENTS DETAIL

THE PROPOSED DISTRIBUTION

9. Chapter 78 provides that the expenses of conducting the liquidation shall be paid out of the assets of the company, prior to distribution of estate assets to claimants according to the priorities established in the statute. MCL 500.7824 states:

The compensation of such special deputy commissioner, counsel, clerks and assistants, and all expenses of taking possession of and conducting the business of liquidating any such corporation shall be fixed by the commissioner, subject to

the approval of the court, and shall, on certificate of the commissioner, be paid out of the funds or assets of such corporation.

In addition, consistent with MCL 500.8142(1), the claims adjudication procedures approved by the Court in this proceeding (“Claims Procedures”) require that every claim in each class be paid in full or adequate funds retained for its payment before the members of the next class receive payment.

10. MCL 500.7834(1) (“§ 7834(1)”) establishes the priority for payment of claims against the estate. It states:

In a delinquency proceeding against an insurer domiciled in this state for which a receiver has been appointed for the liquidation of the insurer, the following claims shall be given equal priority, and shall have priority over the claims of general unsecured creditors of the insurer:

- (a) Claims of policyholders, beneficiaries, and insureds of the insurer which arise from and are within the coverage of, and are not in excess of, the applicable limits of the insurance policy contracts of the insurer.
- (b) Liability claims against insureds of the insurer which are within the coverage of, and are not in excess of, the applicable limits of the insurance policy contracts of the insurer.
- (c) Claims of the property and casualty guaranty association and of any similar organization or fund in another state.
- (d) Claims of the Michigan life and health guaranty association and any similar organization or fund of another state.

The claims defined in § 7834(1) as having priority for payment from the estate are referred to in this proceeding as the “Class 1 claims.” Class 1 claims include categories for guaranty association claims and non-guaranty association claims. The claims of general unsecured creditors of the estate are referred to as “Class 2 claims.”

11. The estate balance sheet as of January 31, 2013 (**Exhibit B**), shows that the total assets of the estate as of that date are \$14,416,273.34.

12. Consistent with MCL 500.7824, MCL 500.7834 and the Claims Procedures, and as further set forth in the attached **Exhibit C**, the Receiver proposes to distribute the estate's assets as follows:

MCL 500.7824	<u>Liquidator's estimated closing expenses</u>	\$704,755
	The Liquidator has established reserves for closing expenses, which are detailed in the attached Exhibit D . ² These reserves are estimates of the total costs to close the liquidation estate and should be sufficient to pay these expenses.	
MCL 500.7834	<u>Unclaimed property payable</u>	
	Unclaimed prior Class 1 distributions to be paid if claimed or to be escheated per applicable state statutes if not claimed at time of estate closure.	
		\$ 83,881
Class 1	<u>Policyholder status claims (including guaranty association and non-guaranty association claims) previously paid at 50%</u>	\$13,626,257
Class 2	<u>General Creditor claims</u>	\$0.00
Other	<u>Claims of Shareholders or Owners</u>	\$0.00

13. This plan anticipates payment of the estimated administrative expenses (**Exhibit D**) at 100% as required by MCL 500.7824. The Class 1 claims will be paid an additional amount of their outstanding claim by the proposed distribution of \$13,626,257.36, for a total recovery by Class 1 claimants of 96.1% of their approved claim amounts.

² The "total projected operating and closing expense" amount shown in **Exhibit D** is essentially the same as the "accrued estate expense" set forth in **Exhibit C**. The difference between these two numbers is that **Exhibit D** provides an estimated number for all of 2013 and thus includes approximately \$13,020 that was expended in January and therefore was subtracted from the number used in **Exhibit C**, which was calculated as of January 31, 2013.

14. The guaranty association claims and the proposed payments to guaranty associations totaling \$12,820,559.97 are detailed in **Exhibit E**.

15. Payments on the non-guaranty association Class 1 claims total \$873,706. Consistent with an Order of this Court dated October 14, 2010 (**Exhibit F**), attached hereto as **Exhibit G** is a redacted listing of the non-guaranty association Class 1 claims that removes individual identifying information and identifies claimants by claim number only.³

16. Because, as discussed further below, there are insufficient funds in the estate to pay Class 1 claims in their entirety, all other claims will be denied for lack of funds in the receivership estate.

DENIAL OF CLASS 2 CLAIMS

17. The Receiver previously reported to the Court and interested parties in the Interim Distribution Petition, filed in July 2011, that estate assets will be insufficient to allow for full payment of Class 1 claims. The anticipated 96.1% total payment of Class 1 claims will leave 3.9%, or approximately \$1.15 million of Class 1 claims unpaid. Even if wind-up operating and closing expenses are less than the Receiver currently anticipates, there are insufficient funds in the estate to ever permit full payment of Class 1 claims such that Class 2 claims could become eligible for payment.

18. Based on this fact, the Receiver sent Notices of Determination to Class 2 claimants during the fall of 2010, thus providing Class 2 claimants with an opportunity, consistent with the Claims Procedures, to object to the determination that Class 2 claims would be denied in their entirety. No objections to the Class 2 Notices of Determination were filed,

³ As provided in the October 14, 2010 Order, the Receiver will file under seal a version of **Exhibit G** that includes the complete list of approved non-guaranty association Class 1 claim amounts, including the name and address of each claimant. The Class 1 Claims Name and Address Registry referenced in the Order is already on file under seal with the Court. The sealed documents will be available for review only as allowed for in the Order.

and as a result all opportunity to object to the denial of Class 2 claims was waived by the end of 2010.

19. Consistent with the Claims Procedures, the Receiver now asks the Court to formally deny the Class 2 claims, which are listed in the attached **Exhibit H**.⁴

NOTICE

20. Concurrent with filing this petition, the Receiver has served a copy of this Petition (the “Receiver’s Petition”) upon the service list established under this Court’s October 14, 2010, Order (**Exhibit F**) in a manner consistent with that Order and with the subsequent Order dated February 26, 2013 (**Exhibit I**).

21. The Receiver also has or shortly will post a copy of this Petition on the State of Michigan website along with the other Cadillac estate documents previously posted there.

22. Any objection to the relief requested in this Petition **must be in writing** and must be filed with the Ingham County Circuit Court at 313 Kalamazoo Street, P.O. Box 40771, Lansing, Michigan 48901, and a copy must be properly served via proper U.S. Mail (First-Class) to the Receiver’s counsel: Mark J. Zausmer/Amy S. Applin, Zausmer, Kaufman, August & Caldwell, P.C., 31700 Middlebelt Rd, Ste. 150, Farmington Hills, Michigan 48334, or other proper method of service under the Michigan Court Rules. **Written objections must be filed with the Court, and a copy must be received by the Receiver’s counsel not later than one week before the scheduled hearing on the Receiver’s Petition, i.e. not later than May 29, 2013. If written objection is not filed with the Court and received by the Liquidator’s**

⁴Consistent with the Court’s October 14, 2010 Order (**Exhibit F**), the version of **Exhibit H** that will be served, and that will be posted on the state’s website (see the section regarding “Notice” below), lists Class 2 claims by proof of claim number and the amount of the claim being denied. A version of **Exhibit H** containing claimant name and address information will be filed under seal with the Court and will be available to interested parties only as provided in the October 14, 2010 Order.

Zausmer, Kaufman, August & Caldwell, P.C.
31700 Middlebelt Road, Suite 150, Farmington Hills, MI 48334-2374 • 721 N. Capitol, Suite 2, Lansing, MI 48906-5163

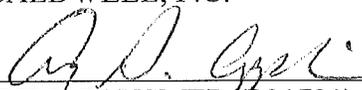
counsel by May 29, 2013, the Liquidator will ask that *the objection will be barred as it relates to the Receiver's Petition and the relief sought by that Petition.*

RELIEF REQUESTED

WHEREFORE, the Receiver respectfully requests entry of an order granting the Receiver's Petition, approving the proposed administrative operations and closing expense reserve, approving the proposed distribution of assets to Class 1 creditors, formally denying the claims of Class 2 creditors in full and granting such other or further relief as the Court deems to be due and appropriate.

Respectfully Submitted,

ZAUSMER, KAUFMAN, AUGUST
& CALDWELL, P.C.



MARK J. ZAUSMER (P31721)
Special Assistant Attorney General
AMY S. APPLIN (P46900)
Attorneys for Petitioner
31700 Middlebelt, Suite 150
Farmington Hills, MI 48334
(248) 851-4111

Dated: April 22, 2013

With respect to the Report to the Court,
CADILLAC INSURANCE COMPANY,
IN LIQUIDATION

By: 
James E. Gerber, Deputy Receiver

Dated: April 22, 2013

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(248) 851-4111

PROOF OF SERVICE

STATE OF MICHIGAN)
)SS
COUNTY OF OAKLAND)

VICTORIA A. BREEZE, being first duly sworn, deposes and states that on
April 23, 2013, she served a copy of the Receiver's Petition for Order Approving Plan for Final

Zausmer, Kaufman, August & Caldwell, P.C.
31700 Middlebelt Road, Suite 150, Farmington Hills, MI 48334-2374 • 721 N. Capitol, Suite 2, Lansing, MI 48906-5163

Distribution, Including Partial Distribution of Estate Assets, Final Disallowance of Class 2 Claims, Establishment of Administrative Reserve For Wind-Up Expenses and for Related Relief and Annual Narrative and Financial Report to Receivership Court and this Proof of Service via first class mail on the following individuals by placing said documents in sealed envelopes, with prepaid, first-class postage fully affixed, and depositing same in the U.S. mail in Farmington Hills, Michigan, or, if so specified below, via email:

Louis J. Porter, Esq.
Fried Porter PLLC
29800 Telegraph Road
Southfield, MI 48034

Benjamin W. Jeffers, Esq.
Dykema Gossett PLLC
400 Renaissance Center
Detroit, MI 48243

Arizona Insurance Guaranty Association
& Mr. Michael Surguine
msurguine@azinsurance.gov

California Insurance Guarantee Association
c/o Wayne Wilson
P. O. Box 29066
Glendale, CA 91209-9066

Florida Insurance Guaranty Association
srobinson@agfgroup.org

Florida Life & Health Insurance Guaranty Association
c/o Mr. William Flack
3740 Beach Blvd, Suite 201A
Jacksonville, FL 32207-3877

Georgia Insurers Insolvency Pool
c/o Michael Marchman
2177 Flintstone, Suite R
Tucker, GA 30084

Indiana Insurance Guaranty Association,
Janis Funk Executive Director
ifunk@quadassoc.org; rvasil@quadassoc.org

Louisiana Insurance Guaranty Association
c/o John Wells
2142 Quail Run Drive
Baton Rouge, LA 70808-4126

Michigan Life & Health Insurance
Guaranty Association
c/o John Colpean
1640 Haslett Road, Suite 160
Haslett, MI 48840-8683

Michigan Property & Casualty
Guaranty Association
c/o Mr. Tom Kujawa
P. O. Box 531266
Livonia, MI 48153-1266

Mississippi Insurance Guaranty Association
c/o Arthur Russell
arussell@msiga.net

Nevada Insurance Guaranty Association
c/o Bruce Gilbert
3821 Charleston Blvd., Suite 100
Las Vegas, NV 89102-1859

Ohio Life & Health Guaranty Association
sdurish@ohioga.org

Ohio/West Virginia Insurance Guaranty Association
sdurish@ohioga.org

Texas Property & Casualty Insurance
Guaranty Association
c/o Mr. Marvin Kelly
9120 Burnet Road
Austin, TX 78758

Top 10 largest non-Guaranty Fund Class 1 Claims:

Claim No. MI00012 (via email)
Claim No. MI02727
Claim No. TX00083
Claim No. IN00071
Claim No. MI02552A
Claim No. MI02729
Claim No. MI02558
Claim No. AR00001
Claim No. IN00075
Claim No. IN00117

(The sealed list of names and addresses of claimants was filed with the Court on or about July 5, 2011, consistent with the Court's October 14, 2010, Order in this matter).

Top 10 largest Class 2 Claims:

Claim No. MI03592
Claim No. MI02393
Claim No. CA02407A
Claim No. IL00112
Claim No. CA01358
Claim No. MD00002
Claim No. LA00014 (via email)
Claim No. CA01481
Claim No. TX00079
Claim No. MI02147

(The sealed list of names and addresses of claimants was filed with the Court on or about July 5, 2011, consistent with the Court's October 14, 2010, Order in this matter).


VICTORIA A. BREEZE

EXHIBIT A

CADILLAC INSURANCE COMPANY IN LIQUIDATION
BALANCE SHEET
December 31, 2012

		<u>PER COMPANY</u> <u>BOOKS & RECORDS</u>	
<u>ASSETS</u>			
CASH	\$	156,201.92	
SHORT TERM INVESTMENTS		14,277,321.26	NOTE A
ACCRUED INVESTMENT INCOME		<u>1,698.37</u>	
TOTAL ASSETS	\$	<u>14,435,221.55</u>	
<u>CLAIMS AGAINST THE ASSETS</u>			
<u>GUARANTY FUND, POLICYHOLDERS, & GENERAL CREDITOR CLAIMS:</u>			
LOSS INCURRED PAYABLE CLASS 1	\$	13,297,539.50	NOTE B
ADMIN-LAE PAYABLE		0.00	
LOSS RESERVES CLASS 1 MPCGA		607,775.00	NOTE B
LOSS RESERVES CLASS 1 ESTATE		883,908.12	NOTE B
LOSS RESERVES CLASS 2		2,045,511.00	NOTE B
LAE RESERVE		0.00	
FUTURE LAE/ADMIN RESERVE		0.00	
<u>OTHER CLAIMS:</u>			
ACCRUED EXPENSES		536,709.29	NOTE C
ACCRUED FEDERAL AND STATE TAX LIABILITY		<u>13,500.00</u>	
TOTAL CLAIMS		17,384,942.91	
RECEIVERSHIP BALANCE		<u>(2,949,721.36)</u>	
TOTAL CLAIMS & RECEIVERSHIP BALANCE	\$	<u><u>14,435,221.55</u></u>	

**CADILLAC INSURANCE COMPANY IN LIQUIDATION
INCOME STATEMENT
December 31, 2012**

UNDERWRITING INCOME		\$0.00
 <u>LESS:</u>		
LOSSES INCURRED	0.00	
LAE INCURRED	0.00	
FUTURE ADMIN /LAE INCURRED	0.00	
OTHER UNDERWRITING EXPS INCURRED	350,300.00	<u>350,300.00</u>
 NET UNDERWRITING GAIN (LOSS)		 (350,300.00)
 <u>INVESTMENT INCOME</u>		
INVESTMENT INCOME EARNED		<u>13,926.68</u>
 <u>OTHER INCOME</u>		
MISCELLANEOUS INCOME	99,176.94	<u>99,176.94</u>
 <u>OTHER EXPENSE</u>		
FEDERAL AND STATE INCOME TAXES	0.00	0.00
 NET INCOME (LOSS)		 (237,196.38)

**CADILLAC INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF RECEIVERSHIP BALANCE
December 31, 2012**

RECEIVERSHIP BALANCE DECEMBER 31, 2011		(\$2,712,524.98)
NET INCOME (LOSS)		<u>(237,196.38)</u>
RECEIVERSHIP BALANCE DECEMBER 31, 2012		<u><u>(\$2,949,721.36)</u></u>

**CADILLAC INSURANCE COMPANY, IN LIQUIDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

A. SHORT TERM INVESTMENTS \$14,277,321.26

This amount represents Private Client Savings account balance and Certificate of Deposit investments. The Certificate of Deposit investment maturities are less than one year.

**B. GUARANTY ASSOCIATIONS, POLICYHOLDER
AND GENERAL CREDITOR CLAIMS \$16,834,733.62**

As a result of the January 2, 1990 liquidation of Cadillac, various Guaranty Associations, in states where Cadillac was admitted to write business, paid these liabilities. These Guaranty Associations then file a proof of loss claim form in the Cadillac Receivership Estate for reimbursement of these claim payments, other claim related expenses and future administrative expenses. These amounts are subject to change based upon reporting from the various Guaranty Associations and distributions made by the estate.

Also included in this amount are reserves established and continuously adjusted by the Receivership staff. These amounts shall also be paid from the Estate pending confirmation of a timely filed proof of loss claim form, complete adjudication and approval/authorization of the Ingham County Circuit Court. These reserves are established for the payment of priority 1 (not covered by a Guaranty Association) and priority 2, general creditor claims.

C. ACCRUED EXPENSES \$536,709.29

This amount represents accrued estimated general operating expenses, estimated expenses associated with the closure of the Estate and \$83,880.78 in unclaimed property payable.

CADILLAC INSURANCE COMPANY, IN LIQUIDATION
GUARANTY ASSOCIATIONS AND RECEIVERSHIP ESTATE
LOSSES INCURRED PAYABLE
JANUARY 1, 1990 THROUGH DECEMBER 31, 2012

STATE	REPORT DATE	LOSSES PAID	RECOVERIES	LOSSES PAID BY CADILLAC ESTATE	LOSS RSRVS. BEGINNING	LOSS RSRVS. ENDING	LOSSES INCURRED
ARIZONA	6/30/2011	\$11,017.00	\$0.00	\$5,508.50	\$0.00	\$5,508.50	\$16,525.50
CALIFORNIA	6/30/2011	\$9,073,204.00	\$82,531.00	\$4,495,336.50	\$11,563,100.00	\$4,495,336.50	\$1,922,909.50
FLORIDA L & H	6/30/2011	\$823,198.00	\$0.00	\$411,599.00	\$0.00	\$411,599.00	\$1,234,797.00
FLORIDA P & C	6/30/2011	\$3,676,097.00	\$34,133.00	\$1,820,982.00	\$3,857,839.00	\$1,820,982.00	\$1,605,107.00
GEORGIA	6/30/2011	\$125,895.00	\$0.00	\$62,947.50	\$256,556.00	\$62,947.50	(\$67,713.50)
INDIANA	6/30/2011	\$49,475.00	\$0.00	\$24,737.50	\$209,267.00	\$24,737.50	(\$135,054.50)
LOUISIANA	6/30/2011	\$1,017,347.00	\$0.00	\$508,673.50	\$1,117,197.00	\$508,673.50	\$408,823.50
MICHIGAN L & H	6/30/2011	\$243,868.00	\$0.00	\$121,934.00	\$0.00	\$121,934.00	\$365,802.00
MICHIGAN P & C	6/30/2011	\$41,369,315.00	\$31,815,847.00	\$5,384,508.50	\$24,174,110.00	\$5,384,509.00	(\$9,236,133.00)
MISSISSIPPI	6/30/2011	\$58,173.00	\$0.00	\$29,086.50	\$110,302.00	\$29,086.50	(\$23,042.50)
NEVADA	6/30/2011	\$19,243.00	\$0.00	\$9,621.50	\$189,181.00	\$9,621.50	(\$160,316.50)
OHIO L & H	6/30/2011	\$458,422.00	\$0.00	\$229,211.00	\$0.00	\$229,211.00	\$687,633.00
OHIO P & C	6/30/2011	\$552,694.00	\$13,611.00	\$269,541.00	\$1,006,355.00	\$269,542.00	(\$197,730.00)
TEXAS	6/30/2011	\$1,063,254.00	\$0.00	\$531,627.00	\$1,466,946.00	\$531,627.00	\$127,935.00
SUBTOTAL		\$58,541,202.00	\$31,946,122.00	\$13,905,314.00	\$43,950,853.00	\$13,905,315.50	(\$3,450,457.50)
(1) Priority Claim Reserve as of 12/31/2012			\$0.00	\$867,073.38	\$0.00	\$873,706.00	
(2) General Creditor Reserve as of 12/31/2012			\$0.00	\$0.00	\$0.00	\$2,034,177.00	\$2,034,177.00
TOTAL		\$58,541,202.00	\$31,946,122.00	\$14,772,387.38	\$43,950,853.00	\$16,813,198.50	(\$1,416,280.50)

CADILLAC INSURANCE COMPANY IN LIQUIDATION
INVESTMENT INCOME DUE AND ACCRUED
December 31, 2012

	Amount			
	<u>Received</u>	<u>Accrued 2011</u>	<u>Accrued 2012</u>	<u>Earned 2012</u>
Certificates of Deposit	\$ 2,271.79	\$ 1,299.84	\$ 1,698.37	\$ 2,670.32
Market Index Savings	\$ 11,256.36	-	0.00	11,256.36
	<u>13,528.15</u>	<u>1,299.84</u>	<u>1,698.37</u>	<u>13,926.68</u>

CADILLAC INSURANCE COMPANY, IN LIQUIDATION

DESCRIPTION OF 2012 LEGAL EXPENSE DISBURSEMENT

<u>LEGAL MATTER</u>		<u>AMOUNT PAID</u>
INGHAM COUNTY	\$	1,210.05
TAX ISSUES		<u>12,895.50</u>
TOTAL	\$	<u><u>14,105.55</u></u>

* Ingham County includes legal and administrative matters before the Court.

**CADILLAC INSURANCE COMPANY, IN LIQUIDATION
JANUARY 2012 THROUGH DECEMBER 2012
CASH RECEIPTS SUMMARY**

<u>ACCOUNT NAME</u>	<u>AMOUNT</u>
CD MATURITIES	\$ 239,001.48
CERTIFICATE OF DEPOSIT INTEREST	2,382.69
ADMINISTRATIVE EXPENSE RECOVERY - MICHIGAN HMO	30,690.87
ADMINISTRATIVE EXPENSE RECOVERY - LMCC	75,412.56
ADMINISTRATIVE EXPENSE RECOVERY -OTHER	<u>8,812.56</u>
TOTAL CASH RECEIPTS	<u>\$ 356,300.16</u>

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Cadillac Insurance Company, In Liquidation
Cash Receipts
 January through December 2012

Type	Date	Name	Debit	Credit
Deposit	1/13/2012		466.43	
		Jeffrey Young		350.00
		Fulton Bank		11.85
		PBI Bank		39.04
		One West Bank		34.96
		Fulton Bank		30.58
			466.43	466.43
Deposit	1/30/2012		15,528.05	
		Raimi, Stephen		350.00
		Grand Bank		54.65
		NBank		83.06
		Lincoln Mutual		15,000.00
		PBI Bank		40.34
			15,528.05	15,528.05
Deposit	2/17/2012		767.79	
		Jeffrey Young		350.00
		Raimi, Stephen		350.00
		American Community ...		14.10
		Fulton Bank		18.74
		One West Bank		34.95
			767.79	767.79
Deposit	3/28/2012		516.52	
		NBank		77.65
		Grand Bank		51.13
		PBI Bank		37.74
		Raimi, Stephen		350.00
			516.52	516.52
Deposit	3/6/2012		589.32	
		Grand Bank		54.65
		One West Bank		32.71
		Jeffrey Young		350.00
		Fulton Bank		28.61
		NBank		83.01
		PBI Bank		40.34
			589.32	589.32
Deposit	4/30/2012		15,923.94	
		Lincoln Mutual		15,000.00
		Jeffrey Young		350.00
		Raimi, Stephen		350.00
		PBI Bank		40.34
		Fulton Bank		29.59
		One West Bank		33.83
		Grand Bank		54.65
		One West Bank		34.95
		Fulton Bank		30.58
			15,923.94	15,923.94

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Cadillac Insurance Company, In Liquidation
Cash Receipts
 January through December 2012

Type	Date	Name	Debit	Credit
Deposit	5/31/2012		882.51	
		Jeffrey Young		350.00
		Raimi, Stephen		350.00
		NBank		80.33
		One West Bank		19.17
		NBank		83.01
			882.51	882.51
Deposit	6/15/2012		690.48	
		Jeffrey Young		350.00
		Lincoln Mutual		210.56
		PBI Bank		33.29
		One West Bank		13.16
		Fulton Bank		30.58
		Grand Bank		52.89
			690.48	690.48
Deposit	6/29/2012		695.26	
		American Community ...		210.56
		Raimi, Stephen		350.00
		NBank		58.26
		Grand Bank		42.04
		PBI Bank		34.40
			695.26	695.26
Deposit	7/31/2012		509.48	
		Raimi, Stephen		350.00
		NBank		56.38
		PBI Bank		33.29
		Grand Bank		40.68
		One West Bank		29.13
			509.48	509.48
Deposit	7/19/2012		90,421.11	
		Jeffrey Young		350.00
		Fulton Bank		11.84
		Fulton Bank		29.59
		One West Bank		28.20
		Fulton Bank		90,001.48
			90,421.11	90,421.11
Deposit	8/23/2012		392.04	
		Jeffrey Young		350.00
		Grand Bank		42.04
			392.04	392.04
Deposit	8/30/2012		442.66	
		Raimi, Stephen		350.00
		NBank		58.26
		PBI Bank		34.40
			442.66	442.66

Cadillac Insurance Company, In Liquidation
Cash Receipts
 January through December 2012

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Type	Date	Name	Debit	Credit
Deposit	9/13/2012	Michigan HMO Plans, I...	30,690.87	30,690.87
			30,690.87	30,690.87
Deposit	9/17/2012	Jeffrey Young	379.14	350.00
		One West Bank		29.14
			379.14	379.14
Deposit	9/28/2012	Raimi, Stephen	426.44	350.00
		PBI Bank		34.40
		Grand Bank		42.04
			426.44	426.44
Deposit	10/10/2012	Lincoln Mutual	30,174.23	15,000.00
		Lincoln Mutual		15,000.00
		One West Bank		28.19
		NBank		59.97
		US Access Bank		86.07
			30,174.23	30,174.23
Deposit	10/31/2012	Raimi, Stephen	682.20	350.00
		Lincoln Mutual		202.00
		NBank		56.23
		PBI Bank		33.29
		Grand Bank		40.68
			682.20	682.20
Deposit	11/6/2012	One West Bank	581.14	29.14
		Jeffrey Young		350.00
		American Community ...		202.00
			581.14	581.14
Deposit	11/16/2012	PBI Bank	50,350.00	50,000.00
		Jeffrey Young		350.00
			50,350.00	50,350.00
Deposit	11/30/2012	Grand Bank	99,478.34	42.04
		One West Bank		28.20
		NBC Bank		58.10
		Raimi, Stephen		350.00
		Grand Bank		99,000.00
			99,478.34	99,478.34

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Cadillac Insurance Company, In Liquidation
Cash Receipts
January through December 2012

<u>Type</u>	<u>Date</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>
Deposit	12/20/2012		15,712.21	
		One West Bank		12.21
		Jeffrey Young		350.00
		Raimi, Stephen		350.00
		Lincoln Mutual		15,000.00
			<u>15,712.21</u>	<u>15,712.21</u>
TOTAL			<u>356,300.16</u>	<u>356,300.16</u>

**CADILLAC INSURANCE COMPANY, IN LIQUIDATION
 JANUARY 2012 THROUGH DECEMBER 2012
 CASH DISBURSEMENT SUMMARY**

ACCOUNT NAME	AMOUNT
SUPPLIES	\$ 267.07
POSTAGE - EXPRESS - FREIGHT	140.49
TELEPHONE	1,290.19
COMPUTER HARDWARE/SOFTWARE EXPENSE	1,259.40
RENT - HOME OFFICE	50,105.37
LEGAL EXPENSE - ZAUSMER, KAUFMAN, ET AL	1,210.05
ACCOUNTING & AUDITING FEES	12,895.50
CONSULTING & ACTUARIAL	26,947.12
INSURANCE - EMPLOYEE	22,736.30
INSURANCE - PROPERTY	2,366.00
PERSONAL PROPERTY TAX	268.38
MISCELLANEOUSE EXPENSES	1,096.05
REISSUANCE OF CLAIM CHECK GMAC INS. CO	9,995.00
SUBTOTAL	<u>130,576.92</u>
OTHER DISBURSEMENTS - WIRE TRANSFERS	
SALARIES	166,800.00
PAYROLL SERVICE CHARGE	1,683.97
PAYROLL TAXES	9,552.94
TOTAL	<u>\$ 308,613.83</u>

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Cadillac Insurance Company, In Liquidation
Cash Disbursements
 January through December 2012

Date	Num	Name	Debit	Credit
1/24/2012	4541	Petty Cash		117.43
		Petty Cash	39.49	
		Petty Cash	40.94	
		Petty Cash	37.00	
			117.43	117.43
1/27/2012	4542	Blue Cross Blue Shield of Michigan		1,789.20
		Blue Cross Blue Shield of Michigan	1,789.20	
			1,789.20	1,789.20
1/27/2012	4543	Sprint		69.51
		Sprint	69.51	
			69.51	69.51
1/27/2012	4544	Bingham Center		4,159.52
		Bingham Center	4,159.52	
			4,159.52	4,159.52
2/8/2012	4545	Treasurer-Township of Southfield		164.39
		Treasurer-Township of Southfield	164.39	
			164.39	164.39
2/8/2012	4546	Shenandoah Life Insurance Company		67.03
		Shenandoah Life Insurance Company	67.03	
			67.03	67.03
2/8/2012	4547	Best Office Products		129.40
		Best Office Products	129.40	
			129.40	129.40
2/8/2012	4548	Comcast		193.90
		Comcast	96.95	
		Comcast	96.95	
			193.90	193.90
2/8/2012	4549	AT & T		132.41
		AT & T	132.41	
			132.41	132.41
2/27/2012	4550	AT & T		101.72
		AT & T	101.72	
			101.72	101.72
2/27/2012	4551	Blue Cross Blue Shield of Michigan		1,789.20
		Blue Cross Blue Shield of Michigan	1,789.20	
			1,789.20	1,789.20
2/27/2012	4552	Bingham Center		4,159.52
		Bingham Center	4,159.52	
			4,159.52	4,159.52
2/27/2012	4553	Sprint		72.19
		Sprint	72.19	
			72.19	72.19
3/15/2012	4554	Blue Cross Blue Shield of Michigan		1,789.20
		Blue Cross Blue Shield of Michigan	1,789.20	
			1,789.20	1,789.20

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Cadillac Insurance Company, In Liquidation
Cash Disbursements
 January through December 2012

Date	Num	Name	Debit	Credit
3/15/2012	4555	Shenandoah Life Insurance Company Shenandoah Life Insurance Company	67.03	67.03
			67.03	67.03
3/15/2012	4556	State of Michigan State of Michigan	5,136.51	5,136.51
			5,136.51	5,136.51
3/15/2012	4557	State of Michigan State of Michigan	1,682.37	1,682.37
			1,682.37	1,682.37
3/15/2012	4558	Comcast Comcast	96.95	96.95
			96.95	96.95
3/28/2012	4559	Janice Aho Janice Aho	93.03	93.03
			93.03	93.03
3/28/2012	4560	Shenandoah Life Insurance Company Shenandoah Life Insurance Company	67.03	67.03
			67.03	67.03
3/28/2012	4561	AT & T AT & T	104.64	104.64
			104.64	104.64
3/28/2012	4562	Sprint Sprint	69.30	69.30
			69.30	69.30
3/28/2012	4563	Plante & Moran, LLP Plante & Moran, LLP Plante & Moran, LLP	1,583.50 4,786.00	6,369.50
			6,369.50	6,369.50
3/28/2012	4564	Bingham Center Bingham Center	4,159.52	4,159.52
			4,159.52	4,159.52
4/16/2012	4565	AT & T AT & T	101.71	101.71
			101.71	101.71
4/16/2012	4566	Blue Cross Blue Shield of Michigan Blue Cross Blue Shield of Michigan	1,789.20	1,789.20
			1,789.20	1,789.20
4/16/2012	4567	Comcast Comcast	96.95	96.95
			96.95	96.95
4/23/2012	4568	Zausmer, Kaufman, August & Caldwell, PC. Zausmer, Kaufman, August & Caldwell, PC.	1,210.05	1,210.05
			1,210.05	1,210.05
4/26/2012	4569	Bingham Center Bingham Center	4,159.52	4,159.52
			4,159.52	4,159.52

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Cadillac Insurance Company, In Liquidation
Cash Disbursements
 January through December 2012

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>
4/30/2012	4570	Shenandoah Life Insurance Company Shenandoah Life Insurance Company	67.03	67.03
			67.03	67.03
5/23/2012	4571	Sprint Sprint	70.50	70.50
			70.50	70.50
5/23/2012	4572	Blue Cross Blue Shield of Michigan Blue Cross Blue Shield of Michigan	1,789.20	1,789.20
			1,789.20	1,789.20
5/23/2012	4573	Comcast Comcast	96.95	96.95
			96.95	96.95
5/23/2012	4574	AT & T AT & T	101.68	101.68
			101.68	101.68
5/23/2012	4575	Bingham Center Bingham Center	4,159.52	4,159.52
			4,159.52	4,159.52
5/31/2012	4576	Shenandoah Life Insurance Company Shenandoah Life Insurance Company	67.03	67.03
			67.03	67.03
7/2/2012	5364	GMAC INSURANCE GMAC INSURANCE	9,995.00	9,995.00
			9,995.00	9,995.00
6/5/2012	4577	Sprint Sprint	72.86	72.86
			72.86	72.86
6/5/2012	4578	Plante & Moran, LLP Plante & Moran, LLP	647.75	647.75
			647.75	647.75
6/5/2012	4579	Janice Aho Janice Aho	59.00	59.00
			59.00	59.00
6/28/2012	4580	Lincoln Mutual Lincoln Mutual	450.25	450.25
			450.25	450.25
6/28/2012	4581	Shenandoah Life Insurance Company Shenandoah Life Insurance Company	67.03	67.03
			67.03	67.03
6/28/2012	4582	Sprint Sprint	69.02	69.02
			69.02	69.02
6/28/2012	4583	Comcast Comcast	96.95	96.95
			96.95	96.95

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Cadillac Insurance Company, In Liquidation
Cash Disbursements
 January through December 2012

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>
6/28/2012	4584	AT & T AT & T	103.99	103.99
			103.99	103.99
6/28/2012	4585	Blue Cross Blue Shield of Michigan Blue Cross Blue Shield of Michigan	1,789.20	1,789.20
			1,789.20	1,789.20
6/29/2012	4586	Bingham Center Bingham Center	4,159.52	4,159.52
			4,159.52	4,159.52
7/20/2012	4587	Comcast Comcast	96.95	96.95
			96.95	96.95
7/20/2012	4588	Blue Cross Blue Shield of Michigan Blue Cross Blue Shield of Michigan	1,789.20	1,789.20
			1,789.20	1,789.20
7/20/2012	4589	Village of Bingham Farms Village of Bingham Farms	23.33	23.33
			23.33	23.33
7/20/2012	4590	Treasurer-Township of Southfield Treasurer-Township of Southfield	80.66	80.66
			80.66	80.66
7/20/2012	4591	AT & T AT & T	101.79	101.79
			101.79	101.79
7/20/2012	4592	OFIR OFIR OFIR OFIR	2,997.62 2,607.26 1,561.46	7,166.34
			7,166.34	7,166.34
7/26/2012	4593	Jacob Aho Jacob Aho	300.00	300.00
			300.00	300.00
7/26/2012	4594	Bingham Center Bingham Center	4,350.65	4,350.65
			4,350.65	4,350.65
7/26/2012	4595	Shred Legal Shred Legal	60.00	60.00
			60.00	60.00
7/31/2012	4596	Sprint Sprint	68.93	68.93
			68.93	68.93
7/31/2012	4597	Shenandoah Life Insurance Company Shenandoah Life Insurance Company	67.03	67.03
			67.03	67.03

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Cadillac Insurance Company, In Liquidation
Cash Disbursements
 January through December 2012

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>
8/2/2012	4598	Citizens Insurance Company Citizens Insurance Company	<u>1,709.00</u>	1,709.00
			1,709.00	<u>1,709.00</u>
8/9/2012	4599	State of Michigan State of Michigan	<u>226.00</u>	226.00
			226.00	<u>226.00</u>
8/21/2012	4600	Shred Legal Shred Legal	<u>60.00</u>	60.00
			60.00	<u>60.00</u>
8/21/2012	4601	Comcast Comcast	<u>96.95</u>	96.95
			96.95	<u>96.95</u>
8/21/2012	4602	AT & T AT & T	<u>99.48</u>	99.48
			99.48	<u>99.48</u>
8/21/2012	4603	Blue Cross Blue Shield of Michigan Blue Cross Blue Shield of Michigan	<u>1,789.20</u>	1,789.20
			1,789.20	<u>1,789.20</u>
8/21/2012	4605	OFIR OFIR OFIR	<u>2,215.52</u> <u>2,415.06</u>	4,630.58
			4,630.58	<u>4,630.58</u>
8/27/2012	4606	Plante & Moran, LLP Plante & Moran, LLP	<u>4,546.25</u>	4,546.25
			4,546.25	<u>4,546.25</u>
8/28/2012	4607	Bingham Center Bingham Center	<u>4,159.52</u>	4,159.52
			4,159.52	<u>4,159.52</u>
8/28/2012	4608	Sprint Sprint	<u>68.92</u>	68.92
			68.92	<u>68.92</u>
8/21/2012	4604	Void Void	<u>0.00</u> <u>0.00</u>	
			0.00	<u>0.00</u>
9/17/2012	4609	Comcast Comcast	<u>96.95</u>	96.95
			96.95	<u>96.95</u>
9/17/2012	4610	Shenandoah Life Insurance Company Shenandoah Life Insurance Company	<u>67.03</u>	67.03
			67.03	<u>67.03</u>
9/17/2012	4611	Blue Cross Blue Shield of Michigan Blue Cross Blue Shield of Michigan	<u>1,789.20</u>	1,789.20
			1,789.20	<u>1,789.20</u>
9/17/2012	4612	AT & T AT & T	<u>101.53</u>	101.53
			101.53	<u>101.53</u>

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Cadillac Insurance Company, In Liquidation
Cash Disbursements
 January through December 2012

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>
9/27/2012	4613	Bingham Center Bingham Center	4,159.52	4,159.52
			4,159.52	4,159.52
10/8/2012	4614	Citizens Insurance Company Citizens Insurance Company	657.00	657.00
			657.00	657.00
10/8/2012	4615	Shenandoah Life Insurance Company Shenandoah Life Insurance Company	73.10	73.10
			73.10	73.10
10/18/2012	4616	Sprint Sprint	68.72	68.72
			68.72	68.72
10/10/2012	4617	Petty Cash Petty Cash Petty Cash	3.70 101.00	104.70
			104.70	104.70
10/26/2012	4618	Blue Cross Blue Shield of Michigan Blue Cross Blue Shield of Michigan	1,789.00	1,789.00
			1,789.00	1,789.00
10/26/2012	4619	Comcast Comcast	96.95	96.95
			96.95	96.95
10/29/2012	4620	AT & T AT & T	109.87	109.87
			109.87	109.87
10/29/2012	4621	Plante & Moran, LLP Plante & Moran, LLP	1,332.00	1,332.00
			1,332.00	1,332.00
10/29/2012	4622	Sprint Sprint	70.17	70.17
			70.17	70.17
10/29/2012	4623	Janice Aho Janice Aho	259.99	259.99
			259.99	259.99
10/29/2012	4624	Bingham Center Bingham Center	4,159.52	4,159.52
			4,159.52	4,159.52
10/31/2012	4625	Shenandoah Life Insurance Company Shenandoah Life Insurance Company	73.10	73.10
			73.10	73.10
11/12/2012	4626	OFIR OFIR OFIR OFIR	1,891.40 2,213.35 3,197.11	7,301.86
			7,301.86	7,301.86

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Cadillac Insurance Company, In Liquidation
Cash Disbursements
 January through December 2012

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Debit</u>	<u>Credit</u>
11/29/2012	4627	AT & T AT & T	<u>115.37</u>	115.37
			115.37	<u>115.37</u>
11/29/2012	4628	Comcast Comcast	<u>96.95</u>	96.95
			96.95	<u>96.95</u>
11/29/2012	4629	Blue Cross Blue Shield of Michigan Blue Cross Blue Shield of Michigan	<u>2,007.83</u>	2,007.83
			2,007.83	<u>2,007.83</u>
11/29/2012	4630	Bingham Center Bingham Center	<u>4,159.52</u>	4,159.52
			4,159.52	<u>4,159.52</u>
11/30/2012	4631	Sprint Sprint	<u>69.35</u>	69.35
			69.35	<u>69.35</u>
12/20/2012	4632	AT & T AT & T	<u>116.00</u>	116.00
			116.00	<u>116.00</u>
12/20/2012	4633	Blue Cross Blue Shield of Michigan Blue Cross Blue Shield of Michigan	<u>2,007.83</u>	2,007.83
			2,007.83	<u>2,007.83</u>
12/20/2012	4634	Comcast Comcast	<u>96.95</u>	96.95
			96.95	<u>96.95</u>
12/20/2012	4635	Shenandoah Life Insurance Company Shenandoah Life Insurance Company	<u>73.10</u>	73.10
			73.10	<u>73.10</u>
12/20/2012	4636	Bingham Center Bingham Center	<u>4,159.52</u>	4,159.52
			4,159.52	<u>4,159.52</u>
12/31/2012	4637	Shenandoah Life Insurance Company Shenandoah Life Insurance Company	<u>73.10</u>	73.10
			73.10	<u>73.10</u>
TOTAL			<u><u>130,576.92</u></u>	<u><u>130,576.92</u></u>

EXHIBIT B

**CADILLAC INSURANCE COMPANY IN LIQUIDATION
BALANCE SHEET
January 31, 2013**

		<u>PER COMPANY BOOKS & RECORDS</u>
<u>ASSETS</u>		
CASH	\$	234,304.56
SHORT TERM INVESTMENTS		14,180,270.41
ACCRUED INVESTMENT INCOME		<u>1,698.37</u>
TOTAL ASSETS	\$	14,416,273.34
CLAIMS AGAINST THE ASSETS		
<u>GUARANTY FUND, POLICYHOLDERS, & GENERAL CREDITOR CLAIMS:</u>		
LOSS INCURRED PAYABLE CLASS 1	\$	13,297,539.50
ADMIN-LAE PAYABLE		0.00
LOSS RESERVES CLASS 1 MPCGA		607,775.00
LOSS RESERVES CLASS 1 ESTATE		873,705.84
LOSS RESERVES CLASS 2		2,034,177.10
LAE RESERVE		0.00
FUTURE LAE/ADMIN RESERVE		0.00
<u>OTHER CLAIMS:</u>		
ACCRUED EXPENSES		788,635.59
ACCRUED FEDERAL AND STATE TAX LIABILITY		<u>0.00</u>
TOTAL CLAIMS		17,601,833.03
RECEIVERSHIP BALANCE		<u>(3,185,559.69)</u>
TOTAL CLAIMS & RECEIVERSHIP BALANCE	\$	<u><u>14,416,273.34</u></u>

EXHIBIT C

CADILLAC INSURANCE COMPANY, IN LIQUIDATION
 FORMULA CALCULATION FOR FINAL DISTRIBUTION

CADILLAC ESTATES ASSETS AT JANUARY 31, 2013 \$14,416,273.00

LIABILITIES

UNCLAIMED PROPERTY PAYABLE	-\$83,881.00	100%
ACCRUED ESTATE EXPENSES	<u>-\$704,755.00</u>	100%
ASSETS AVAILABLE FOR DISTRIBUTION		
		<u><u>\$13,627,637.00</u></u>

CLAIM LIABILITY

CLASS 1 - GUARANTY ASSOCIATIONS	\$13,297,540.00	92.20%	\$12,260,331.88
CLASS 1 - MPCGA O/S LOSS RESERVE	\$607,775.00	92.20%	\$560,368.55
CLASS 1 - ESTATE POLICYHOLDER CLAIMS	<u>\$873,706.00</u>	92.20%	<u>\$805,556.93</u>
	<u>\$14,779,021.00</u>	92.20%	<u><u>\$13,626,257.36</u></u>
CLASS 2 - ESTATE GENERAL CREDITOR CLAIMS	\$2,034,177.00	0%	

EXHIBIT D

**CADILLAC INSURANCE COMPANY IN LIQUIDATION
PROJECTED OPERATING AND CLOSING EXPENSES 2013**

YEAR ENDING 2013

SALARIES	\$ 301,700.00
STAT & SUPPLIES	1,000.00
POSTAGE	4,000.00
TELEPHONE	1,300.00
COMP S/W	1,400.00
RENT	50,000.00
INSURANCE	45,400.00
DUES AND SUBS	175.00
PAYROLL CHGS	1,300.00
REPAIR & MAINT	500.00
FILE MGMT & STORAGE	10,000.00
PERSONAL PROP TAX	1,000.00
POTENTIAL FEDERAL TAX LIAB	30,000.00
PROFESSIONAL EXPENSES	220,000.00
MISC EXPENSES	50,000.00
	<u>\$ 717,775.00</u>

EXHIBIT E

CADILLAC INSURANCE COMPANY, IN LIQUIDATION
 REPORTING GUARANTY ASSOCIATIONS CLAIM REPORT
 RECOMMENDED FINAL PAYMENT DISTRIBUTION - CLASS ONE LOSSES

LIQ	POC #	CLAIMANT	TOTAL AMOUNT OWED	PARTIAL DISTRIBUTION PAID IN 2011	OUTSTANDING RESERVE AT 12/31/2012	LESS STAT DEDUCT	RECEIVERS RECOMMENDED DIST AMT	TOTAL AMT DISBURSED FROM INCEPT TO 2013	PERCENTAGE PAID ON TOTAL AMOUNT CLAIMED
CA	2854	CALIFORNIA INSURANCE GUARANTEE ASSOCIATION		\$ 297,878.00	\$0.00				
MI	3605	MICHIGAN PROPERTY & CASUALTY GUARANTY ASSOCIATION		\$ 2,411,445.00	\$0.00				
AZ	19	ARIZONA INSURANCE GUARANTY ASSOCIATION	\$11,017.00	\$5,508.50	\$5,508.50	-\$10.00	\$ 5,068.84	\$ 10,577.34	96.10%
CA	2854	CALIFORNIA INSURANCE GUARANTEE ASSOCIATION	\$8,990,673.00	\$4,495,336.50	\$4,495,336.50	-\$10.00	\$ 4,144,690.25	\$ 8,640,026.75	96.10%
FL	1A	FLORIDA INSURANCE GUARANTY ASSOCIATION	\$3,641,964.00	\$1,820,982.00	\$1,820,982.00	-\$10.00	\$ 1,678,935.40	\$ 3,499,917.40	96.10%
FL	00001B	FLORIDA LIFE & HEALTH INSURANCE GUARANTY ASSOCIATION	\$823,198.00	\$411,599.00	\$411,599.00	-\$10.00	\$ 379,484.28	\$ 791,083.28	96.10%
GA	70	GEORGIA INSURERS INSOLVENCY POOL	\$125,895.00	\$62,947.50	\$62,947.50	-\$10.00	\$ 58,027.60	\$ 120,975.10	96.10%
IN	131	INDIANA INSURANCE GUARANTY ASSOCIATION	\$49,475.00	\$24,737.50	\$24,737.50	-\$10.00	\$ 22,797.98	\$ 47,535.48	96.10%
LA	27	LOUISIANA INSURANCE GUARANTY ASSOCIATION	\$1,017,347.00	\$508,673.50	\$508,673.50	-\$10.00	\$ 468,986.97	\$ 977,660.47	96.10%
MI	3604	MICHIGAN LIFE & HEALTH INSURANCE GUARANTY ASSOCIATION	\$243,868.00	\$121,934.00	\$121,934.00	-\$10.00	\$ 112,413.15	\$ 234,347.15	96.10%
MI	3605	MICHIGAN PROPERTY & CASUALTY GUARANTY ASSOCIATION	\$10,769,017.00	\$5,384,508.50	\$5,384,508.50	-\$10.00	\$ 4,964,506.84	\$ 10,349,015.34	96.10%
MS	61	MISSISSIPPI INSURANCE GUARANTY ASSOCIATION	\$58,173.00	\$29,086.50	\$29,086.50	-\$10.00	\$ 26,807.75	\$ 55,894.25	96.10%
NV	7	NEVADA INSURANCE GUARANTY ASSOCIATION	\$19,243.00	\$9,621.50	\$9,621.50	-\$10.00	\$ 8,861.02	\$ 18,482.52	96.10%
OH	970	OHIO LIFE & HEALTH INSURANCE GUARANTY ASSOCIATION	\$458,422.00	\$229,211.00	\$229,211.00	-\$10.00	\$ 211,322.54	\$ 440,533.54	96.10%
OH	970A	OHIOWEST VIRGINIA GUARANTY ASSOCIATION	\$539,083.00	\$269,541.50	\$269,541.50	-\$10.00	\$ 248,507.26	\$ 518,048.76	96.10%
TX	135	TEXAS PROPERTY & CASUALTY INSURANCE GUARANTY ASSOCIATION	\$1,063,254.00	\$531,627.00	\$531,627.00	-\$10.00	\$ 490,150.09	\$ 1,021,777.09	96.10%
			\$27,810,629.00	\$13,905,314.50	\$13,905,314.50	-\$140.00	\$ 12,820,599.97	\$ 26,725,874.47	96.10%

EXHIBIT F

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF INGHAM

In the Matter of CADILLAC INSURANCE COMPANY,
IN LIQUIDATION

MICHAEL A. COX, Attorney General
of the State of Michigan, ex rel
KEN ROSS, Commissioner of the
Office of Financial and Insurance Regulation
of the State of Michigan,

File No.: 89-64126-CR

Hon. William E. Collette

Petitioners,

vs.

CADILLAC INSURANCE COMPANY,
a Michigan Corporation,

Respondent.

MARK J. ZAUSMER (P31721)
Special Assistant Attorney General
AMY SITNER APPLIN (P46900)
ZAUSMER, KAUFMAN, AUGUST
CALDWELL & TAYLER, P.C.
Attorneys for Petitioners
31700 Middlebelt Road, Suite 150
Farmington Hills, MI 48334
(248) 851-4111

ORDER DISALLOWING CLAIMS
AS TO WHICH THE RECEIVER IS UNABLE TO LOCATE THE CLAIMANT
AND
APPROVING NOTICE PROCEDURE FOR ANTICIPATED PETITION
TO APPROVE PLAN OF FINAL DISTRIBUTION OF ESTATE ASSETS

At a session of said Court held in the Ingham County
Courthouse in the City of Mason, County of Ingham,
Michigan, on

PRESENT: _____

10.14.10

CIRCUIT COURT JUDGE

This Court having read and considered the Petition for Order Disallowing Claims as to Which the Receiver is Unable to Locate the Claimant and Approving Notice Procedure for Anticipated Petition to Approve Plan of Final Distribution of Estate Assets, and the Court being otherwise fully advised in the premises;

IT IS HEREBY ORDERED that the Receiver's Petition for Order Disallowing Claims as to Which the Receiver is Unable to Locate the Claimant and Approving Notice Procedure for Anticipated Petition to Approve Plan of Final Distribution of Estate Assets is GRANTED.

IT IS FURTHER ORDERED that, consistent with the Claims Adjudication Procedures previously approved by this Court, the Receiver is not required to send Notices of Determination to claimants whose claims are disallowed pursuant to this Order.

IT IS FURTHER ORDERED that interested parties shall be notified as follows of the Receiver's Petition for Approval of Plan of Final Distribution:

1. A copy of the Petition, supporting Brief including exhibits and Notice of Hearing shall be served by first class mail on the service list attached to this Order as Exhibit A.
2. A copy of the Petition, supporting Brief including exhibits and Notice of Hearing shall be posted by the Receiver on the State of Michigan's website, www.michigan.gov, in the section of the website related to the Office of Financial and Insurance Regulation under the heading Who We Regulate.
3. Notice of the filing of the Petition and of the related hearing shall be published in the legal notice section of the national edition of USA Today, weekday edition,

31700 Middlebelt Road, Suite 150, Farmington Hills, MI 48334-2374 • 721 N. Capitol, Suite 2, Lansing, MI 48906-5163
Zausmer, Kaufman, August, Caldwell & Taylor, P.C.,

one day per week for two weeks, ending at least one week prior to the date set for the hearing.

IT IS FURTHER ORDERED that the Receiver may file under seal with the Court the complete list of approved claims, including the name and address of each claimant, and may attach to the Petition for Order Approving Plan of Final Distribution, as served and as posted on the State of Michigan website, a redacted listing of claims identifying claimants by claim number and approved amount only.

IT IS FURTHER ORDERED that, at the Receiver's discretion or upon Court order, for good cause shown, and upon signing a protective order satisfactory to the Receiver, an interested person or entity may receive a copy of the complete listing of approved claims including the name and address of each claimant.

WILLIAM E. COLLETTE

CIRCUIT COURT JUDGE

EXHIBIT A

Service List:

Mr. Louis Porter, counsel to EMS Enterprises, Inc.

Ms. Suzanne Sahakian, counsel to the Michigan Property & Casualty Guaranty Association

Each additional Guaranty Fund that paid Covered Claims of Cadillac insureds

Top 10 largest non-Guaranty Fund Class 1 Claims

Top 10 largest Class 2 Claims