

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
First Commercial Transportation & Property in Liquidation
Statement of Affairs
As of December 31, 2010

| | <u>Estimated Realizable Value</u> |
|-------------------------------------|---|
| ASSETS | |
| Pooled Cash Due from the Admin Fund | \$2,257,785.43 |
| Short Term Investments-Restricted | 8,455,829.81 |
| Accrued Interest Receivable | 1,896.39 |
| Accounts Receivable | 825,000.00 |
| Allowance - Accounts Receivables | (825,000.00) |
| Allowance for Impaired Assets | (8,455,829.81) |
| | <u>\$2,259,681.82</u> |
| Total Assets | <u>\$2,259,681.82</u> |

| | |
|--|------------------------|
| LIABILITIES | |
| Administrative Claims (Class 1) | |
| - Guaranty Associations | 1,364,121.47 |
| Loss Claims (Class 2) | |
| - Guaranty Associations | 7,749,609.48 |
| - Other | 15,700.00 |
| Unearned Premium Claims under Non-assessable Policies (Class 3) | |
| - Guaranty Associations | 388,090.90 |
| - Other | 200.00 |
| Federal Government Claims (Class 4) | 1.00 |
| General Creditor Claims (Class 6) | |
| - Other | 360,003.43 |
| Late Filed Claims (Class 8) | 9,657.80 |
| Shareholder Claims (Class 10) | 4,930.80 |
| Claims Not Prioritized | 285,033.00 |
| | <u>\$10,177,347.88</u> |
| Total Liabilities | <u>\$10,177,347.88</u> |

| | |
|--|-----------------------|
| EQUITY | |
| Contributed Equity - State of Florida | 25,052.67 |
| Estate Equity | (7,942,718.73) |
| | <u>(7,917,666.06)</u> |
| Excess (Deficiency) of Assets over Liabilities | (7,917,666.06) |
| | <u>\$2,259,681.82</u> |
| Total Liabilities and Equity | <u>\$2,259,681.82</u> |

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
First Commercial Transportation and Property Ins. Co. in Liq
Statement of Cash Receipts and Disbursements
From the Date of Liquidation through December 31, 2010

| | <u>Fiscal Year to Date</u> | <u>Since Date of Liquidation</u> |
|--|--------------------------------|--|
| CASH RECEIPTS | | |
| Premium Collections | \$0.00 | \$15,129.28 |
| Reinsurance Recoveries | 0.00 | 42,296.00 |
| Agents' Balances Recoveries | 5,825.12 | 5,825.12 |
| Subrogation and Salvage Recoveries | 9,686.47 | 20,524.18 |
| Litigation Recoveries | 0.00 | 44,500.00 |
| Other Collections / Recoveries | <u>127.77</u> | <u>11,007.59</u> |
| Receipts Before Investment Activities | 15,639.36 | 139,282.17 |
| Interest and Dividend Receipts | <u>34,932.46</u> | <u>77,616.04</u> |
| Receipts From Investment Activities | <u>34,932.46</u> | <u>77,616.04</u> |
| Total Cash Receipts | <u>50,571.82</u> | <u>216,898.21</u> |
| CASH DISBURSEMENTS & DISTRIBUTIONS | | |
| Professional Fees and Expenses | 31,657.59 | 119,337.19 |
| Salaries and Fringe Benefits | 119,292.64 | 547,173.96 |
| Employee Welfare | 42.88 | 112.78 |
| Travel Expenses | 29.46 | 10,106.66 |
| Admin Expenses | 5,994.11 | 21,886.84 |
| Equipment and Furniture Expenses | 184.64 | 598.92 |
| Rent, Building and Equipment | 1,578.07 | 3,999.74 |
| Taxes | <u>0.00</u> | <u>2.20</u> |
| Disbursements | 158,779.39 | 703,218.29 |
| Disbursements & Distributions Before Investment Activities | 158,779.39 | 703,218.29 |
| Financial Expenses | <u>1,420.26</u> | <u>14,602.48</u> |
| Disbursements for Investment Activities | <u>1,420.26</u> | <u>14,602.48</u> |
| Total Cash Disbursements & Distributions | <u>160,199.65</u> | <u>717,820.77</u> |
| Net Increase (Decrease) in Cash | <u>(109,627.83)</u> | <u>(500,922.56)</u> |
| Beginning Cash Balance: | | |
| Beginning Cash | 2,367,413.26 | 2,567,382.08 |
| Adjustments to Beginning Cash | <u>0.00</u> | <u>191,325.91</u> |
| Adjusted Beginning Cash Balance | <u>2,367,413.26</u> | <u>2,758,707.99</u> |
| Ending Cash Balance | 2,257,785.43 | 2,257,785.43 |

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
First Commercial Transportation and Property Insurance Company in Liquidation
Schedule of Short Term Investments
For the Six Months Ended December 31, 2010

Short Term Investments - Restricted

Certificates of Deposit

| Description | Balance 7/1/10 | Interest Reinvested | Transfers/Fees | Balance 12/31/10 |
|---------------------------|---------------------------|--------------------------------|-----------------------|-----------------------------|
| Colonial Bank #8051885625 | 3,047,336.07 | 0.00 | 0.00 | 3,047,336.07 |
| Colonial Bank #8048706702 | 2,266,018.86 | 0.00 | 0.00 | 2,266,018.86 |
| Colonial Bank #8048706975 | 3,142,474.88 | 0.00 | 0.00 | 3,142,474.88 |
| | <u>8,455,829.81</u> | <u>0.00</u> | <u>0.00</u> | <u>8,455,829.81</u> |

Certificates of Deposit - Allowance for Impaired Assets

| Description | Balance 7/1/10 | Interest Reinvested | Transfers/Fees | Balance 12/31/10 |
|---------------------------|---------------------------|--------------------------------|-----------------------|-----------------------------|
| Colonial Bank #8051885625 | (3,047,336.07) | 0.00 | 0.00 | (3,047,336.07) |
| Colonial Bank #8048706702 | (2,266,018.86) | 0.00 | 0.00 | (2,266,018.86) |
| Colonial Bank #8048706975 | (3,142,474.88) | 0.00 | 0.00 | (3,142,474.88) |
| | <u>(3,047,336.07)</u> | <u>0.00</u> | <u>0.00</u> | <u>(8,455,829.81)</u> |

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
First Commercial Transportation and Property Insurance Company in Liquidation
Schedule of Accrued Interest Receivable
For the Six Months Ended December 31, 2010

Accrued Interest Receivable

| Description | | Balance 7/1/10 | Accrued | Received | Balance 12/31/10 |
|--------------------|---------------------------|---------------------------|----------------|--------------------|-----------------------------|
| State Treasury | SPIA, 4-20-0-010000-00000 | 4,702.44 | 32,636.55 | (35,442.60) | 1,896.39 |
| Totals: | | <u>4,702.44</u> | <u>0.00</u> | <u>(35,442.60)</u> | <u>1,896.39</u> |

Florida Department of Financial Services, Division of Rehabilitation and Liquidation
First Commercial Transportation and Property Insurance Company in Liquidation
Schedule of Accounts Receivable - Other
For the Six Months Ended December 31, 2010

Accounts Receivable

| Description | Balance 7/1/10 | Adjustments | Balance 12/31/10 |
|---|---------------------------|--------------------|-----------------------------|
| Real Estate Deposit - Mayfair Office Park | 825,000.00 | 0.00 | 825,000.00 |
| | <u>825,000.00</u> | <u>0.00</u> | <u>825,000.00</u> |

Accounts Receivable - Allowance for Impaired Assets

| Description | Balance 7/1/10 | Adjustments | Balance 12/31/10 |
|---|---------------------------|--------------------|-----------------------------|
| Real Estate Deposit - Mayfair Office Park | (825,000.00) | 0.00 | (825,000.00) |
| | <u>(825,000.00)</u> | <u>0.00</u> | <u>(825,000.00)</u> |

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation**
**First Commercial Transportation and Property Insurance Co. in
Liquidation**
Notes to Financial Statements

Dated December 31, 2010

1. **Estate Information.** First Commercial Transportation and Property Insurance Co. was a property and casualty company domiciled in Florida and placed in liquidation on August 24, 2009.
2. **Basis of Presentation.** The accompanying financial statements have been prepared on the liquidation basis of accounting using a fiscal year of July 1, 2010 through June 30, 2011. This initial statement will reflect a shortened fiscal year from August 24, 2009 through June 30, 2010. The assets are stated at their estimated realizable values, while the liabilities are stated at their ultimate (gross filed) amounts and are periodically adjusted as evaluated, adjudicated and/or paid. In addition, the statements do not provide accruals for future administrative costs to liquidate the estate or costs to pursue or litigate claims against others.
3. **Unaudited.** The accompanying financial statements have not been audited by an independent certified public accountant and no opinion is expressed on their compliance with generally accepted accounting principles.
4. **Statement Format Changes.** On July 1, 2001, the Receiver converted accounting systems, which resulted in the historical accounting data being presented differently in this set of financial statements than the previously prepared statements for this estate. Because the new system uses a more detailed chart-of-accounts and summarizes data into categories different than previously used, the 'Since Date of Liquidation' column of historical data on the 'Statement of Cash Receipts and Disbursements' may not correspond directly to previous statement presentations. Users of this "Liquidation to-date" information should solicit additional information from the Receiver before making assumptions about the data.
5. **Pooled Investments.** The majority of the invested assets of the estates are combined into two main pooled accounts: the Receiver's operating account held at the Bank of America and the Special Purpose Investment Account held at the State of Florida Treasury. Each estate's share of the pooled investments is presented on the accompanying financial statements as "Pooled Cash Due from the Admin Fund".
6. **Short Term Investments - Restricted.** The investments are stated at fair value, which approximates market value. Market values are those provided by the depository trust institution in possession of the securities at the balance sheet date or through brokerage institutions. Where market values are not readily determinable, market value represents management's best estimate of the investments' fair value. These investments consist of Certificates of Deposit held by Colonial Bank and are subject to an ongoing legal case.
7. **Accounts Receivable.** The receivable is a real estate deposit on real property known as Mayfair Office Park. The return of this deposit is not certain.
8. **Allowance – Accounts Receivables.** An estimate of uncollectible amounts for certain assets. This allowance is for the deposit on the Mayfair Office Park.
9. **Allowance for Impaired Assets.** An estimate of uncollectible amounts for certain assets. This allowance represents certificates of deposit held by Colonial Bank and currently unavailable.
10. **Claims.** Unless otherwise noted, the Statement of Affairs contains claim liabilities by priority class pursuant to 631.271, Florida Statutes. Unless otherwise stated, the claim liabilities reported are gross filed, unadjudicated, and have not been reduced by any early access payments from the Florida Receiver. Claims liability numbers are based upon information and documentation provided to the Receiver as of September 30, 2010.
 - Proofs of claim forms have been mailed
 - Claims classified as Class II and Class III others are being reported at their reserved amount. All other claims are being reported as gross filed.
11. **Contributed Equity – State of Florida.** The Receiver will, from time to time, expend public funds to carry out certain duties during the course of liquidating an insurance company. The Division accounts for these expenditures as a contribution of equity by the State.

**Florida Department of Financial Services, Division of Rehabilitation
and Liquidation
First Commercial Transportation and Property Insurance Co. in
Liquidation
Notes to Financial Statements
Dated December 31, 2010**

12. **Excess (Deficiency) of Assets over Liabilities.** The excess or (deficiency) represents the estimated realizable value of assets after deducting the current estimate of liabilities. This excess or (deficiency) does not take into consideration any estimates for future administrative costs to liquidate the estate or costs to pursue or litigate claims against others.