

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company**  
**Statement of Affairs**  
**As of March 31, 2012**

	<u>Estimated Realizable Value</u>
<b>ASSETS</b>	
Cash-Company Operating	\$20,503.52
Pooled Cash Due from the Admin Fund	4,570,041.65
Short Term Investments-Restricted	4,045,522.19
Accrued Interest Receivable	7,294.13
Accounts Receivable	169,074.64
Marshaled Inventory	14,651,500.00
Fixed Assets	20,000.00
Other Assets	248,332.90
Advance to Guaranty Associations	6,175,000.00
Allowance for Impaired Assets	(4,293,855.09)
	<u>\$25,613,413.94</u>

<b>LIABILITIES</b>	
Accounts Payable	5,727.04
Security Deposits Payable	3,000.00
Mortgage Payable	12,058,105.28
Secured Claims	813,202.81
Administrative Claims (Class 1)	
- Guaranty Associations	13,942,124.98
Loss Claims (Class 2)	
- Guaranty Associations	69,169,015.66
- Other	641,377.85
Unearned Premium Claims	
under Non-assessable Policies (Class 3)	
- Guaranty Associations	10,381,335.99
- Other	35,200.00
Federal Government Claims (Class 4)	1.00
Employee Claims (Class 5)	8,236.48
General Creditor Claims (Class 6)	
- Other	1,833,329.44
State & Local Government Claims (Class 7)	1,206.72
Late Filed Claims (Class 8)	60,853.48
	<u>\$108,952,716.73</u>

<b>EQUITY</b>	
Contributed Equity - State of Florida	112,126.36
Estate Equity	(83,451,429.15)
Excess (Deficiency) of Assets over Liabilities	(\$83,339,302.79)
Total Liabilities and Equity	<u>\$25,613,413.94</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commerical Insurance Company**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through March 31, 2012**

	Fiscal Year to Date	Since Date of Liquidation
<b>CASH RECEIPTS</b>		
Premium Collections	\$392,418.17	\$1,933,096.26
Assessment Recoveries	0.00	2,246.27
Reinsurance Recoveries	374,597.92	630,676.13
Agents' Balances Recoveries	456,101.32	520,069.50
Subrogation and Salvage Recoveries	10,950.64	324,304.88
Litigation Recoveries	0.00	75.00
Tax Recoveries	30,411.00	3,232,572.00
Loan Proceeds	0.00	254,090.83
Other Collections / Recoveries	55,399.26	167,930.96
Sale of Personal Property Inventory	0.00	92,223.49
Rental Income	77,813.15	421,953.19
Mortgage Principal Recovery	2,571.69	9,523.42
Mortgage Interest Income	5,619.75	15,340.17
	<u>1,405,882.90</u>	<u>7,604,102.10</u>
Receipts Before Investment Activities		
Interest and Dividend Receipts	128,136.10	524,752.10
Sale of Short Term Investment	0.00	3,412,871.87
	<u>128,136.10</u>	<u>3,937,623.97</u>
Receipts From Investment Activities		
<b>Total Cash Receipts</b>	<b><u>1,534,019.00</u></b>	<b><u>11,541,726.07</u></b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	212,873.27	1,219,684.21
Salaries and Fringe Benefits	508,117.68	3,454,132.13
Employee Welfare	143.60	786.00
Travel Expenses	3,108.22	36,012.40
Admin Expenses	227,134.83	773,063.52
Equipment and Furniture Expenses	2,810.68	14,633.60
Rent, Building and Equipment	16,073.16	54,333.99
Taxes	207,246.96	254,169.72
	<u>1,177,508.40</u>	<u>5,806,815.57</u>
Disbursements		
Distributions		
Early Access-Guaranty Associations	3,700,000.00	6,175,000.00
Total Distributed	<u>3,700,000.00</u>	<u>6,175,000.00</u>
Disbursements & Distributions Before Investment Activities		
Financial Expenses	8,464.72	79,507.25
Disbursements for Investment Activities	<u>8,464.72</u>	<u>79,507.25</u>
<b>Total Cash Disbursements &amp; Distributions</b>	<b><u>4,885,973.12</u></b>	<b><u>12,061,322.82</u></b>
<b>Net Increase (Decrease) in Cash</b>	<b><u>(3,351,954.12)</u></b>	<b><u>(519,596.75)</u></b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	7,942,499.29	3,737,835.26
Adjustments to Beginning Cash	0.00	1,372,306.66
<b>Adjusted Beginning Cash Balance</b>	<b><u>7,942,499.29</u></b>	<b><u>5,110,141.92</u></b>
<b>Ending Cash Balance</b>	<b><u>4,590,545.17</u></b>	<b><u>4,590,545.17</u></b>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company in Liquidation**  
**Schedule of Cash - Company Operating**  
For the Nine Months Ended March 31, 2012

**Cash - Company Operating**

<u>Description</u>		<u>Balance</u> <u>7/1/11</u>	<u>Adjustments</u>	<u>Balance</u> <u>3/31/12</u>
BB&T (formerly Colonial Bank)	New Prem Acct #8032897657	21,701.30	(1,197.78)	20,503.52
Totals:		<u>21,701.30</u>	<u>(1,197.78)</u>	<u>20,503.52</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation  
First Commercial Insurance Company in Liquidation**

**Schedule of Short Term Investments  
For the Nine Months Ended March 31, 2012**

**Short Term Investments - Restricted**

**Certificates of Deposit**

<b>Description</b>	<b>Balance 7/1/11</b>	<b>Interest Reinvested</b>	<b>Transfers/Fees</b>	<b>Balance 3/31/12</b>
BB &T (formerly Colonial Bank) #8051885633	2,028,286.50	0.00	0.00	2,028,286.50
BB &T (formerly Colonial Bank) #8051886136	2,017,235.69	0.00	0.00	2,017,235.69
	<u>4,045,522.19</u>	<u>0.00</u>	<u>0.00</u>	<u>4,045,522.19</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company in Liquidation**  
**Schedule of Accrued Interest Receivable**  
**For the Nine Months Ended March 31, 2012**

**Accrued Interest Receivable**

<b>Description</b>		<b>Balance 7/1/11</b>	<b>Accrued</b>	<b>Received</b>	<b>Balance 3/31/12</b>
State Treasury	SPIA, 4-20-0-010000-00000	16,031.91	120,582.01	(129,319.79)	7,294.13
Totals:		<u>16,031.91</u>	<u>120,582.01</u>	<u>(129,319.79)</u>	<u>7,294.13</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company in Liquidation**  
**Schedule of Accounts Receivable**  
**For the Nine Months Ended March 31, 2012**

**Notes Receivable**

<b>Description</b>	<b>Balance 7/1/11</b>	<b>Adjustments</b>	<b>Received</b>	<b>Balance 3/31/12</b>
Agent Balance Notes Receivable	1,474.37	118,428.26	(26,416.00)	93,486.63
Premium Notes Receivable	0.00	82,685.01	(7,097.00)	75,588.01
	<u>1,474.37</u>	<u>118,428.26</u>	<u>(33,513.00)</u>	<u>169,074.64</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company in Liquidation**  
**Schedule of Marshaled Inventory**  
**For the Nine Months Ended March 31, 2012**

**Marshaled Inventory**

<b>Description</b>	<b>Balance 7/1/11</b>	<b>Adjustments</b>	<b>Balance 3/31/12</b>
608 S Ocean Drive, Ft. Pierce	450,000.00	0.00	450,000.00
8090 W 23rd Ave Unit 2, Hialeah	386,200.00	0.00	386,200.00
8090 W 23rd Ave Unit 3, Hialeah	327,000.00	0.00	327,000.00
8090 W 23rd Ave Unit 4, Hialeah	327,000.00	0.00	327,000.00
8090 W 23rd Ave Unit 5, Hialeah	341,600.00	0.00	341,600.00
8090 W 23rd Ave Unit 6, Hialeah	329,700.00	0.00	329,700.00
2300 84th St, Hialeah	12,000,000.00	0.00	12,000,000.00
55 NE 5th Avenue Ste 502, Boca Raton	0.00	490,000.00	490,000.00
	<u>14,161,500.00</u>	<u>490,000.00</u>	<u>14,651,500.00</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company in Liquidation**  
**Schedule of Fixed Assets**  
**For the Nine Months Ended March 31, 2012**

**Fixed Assets**

<b>Description</b>	<b>Balance 7/1/11</b>	<b>Adjustments</b>	<b>Balance 3/31/12</b>
Furniture and Equipment	20,000.00	0.00	20,000.00
	<u>20,000.00</u>	<u>0.00</u>	<u>20,000.00</u>



**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company in Liquidation**  
**Schedule of Other Assets**  
**For the Nine Months Ended March 31, 2012**

**Mortgage Receivable**

<u>Description</u>	<u>Balance 7/1/11</u>	<u>Adjustments/ Payments</u>	<u>Balance 3/31/12</u>
Vicente Suarez - 30 yr, 6.25%, \$264,000.00 dated 8/1/2007 monthly \$1,625.49 or bi-weekly \$812.75	250,904.59	(2,571.69)	248,332.90
Totals	<u>250,904.59</u>	<u>(2,571.69)</u>	<u>248,332.90</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company in Liquidation**  
**Schedule of Advance to Guaranty Associations**  
For the Nine Months Ended March 31, 2012

**Advance To Guaranty Associations**

<b>Description</b>	<b>Balance 7/1/11</b>	<b>Advanced</b>	<b>Recovered</b>	<b>Balance 3/31/12</b>
Florida Insurance Guaranty Association	675,000.00	1,450,000.00	0.00	2,125,000.00
Florida Workers Comp. Ins. Guaranty Association	1,800,000.00	2,250,000.00	0.00	4,050,000.00
Totals:	<u>2,475,000.00</u>	<u>3,700,000.00</u>	<u>0.00</u>	<u>6,175,000.00</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company in Liquidation**  
**Schedule of Short Term Investments**  
**For the Nine Months Ended March 31, 2012**

**Allowance for Impaired Assets**

**Investments**

<b>Description</b>	<b>Balance 7/1/11</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 3/31/12</b>
BB&T (formerly Colonial Bank) #8051885633	(2,028,286.50)	0.00	0.00	(2,028,286.50)
BB&T (formerly Colonial Bank) #8051886136	(2,017,235.69)	0.00	0.00	(2,017,235.69)
	<u>(4,045,522.19)</u>	<u>0.00</u>	<u>0.00</u>	<u>(4,045,522.19)</u>

**Mortgage Receivable**

<b>Description</b>	<b>Balance Description</b>	<b>Payments</b>	<b>Adjustments</b>	<b>Balance 3/31/12</b>
Vicente Suarez - 30 yr, 6.25%, \$264,000.00 dated 8/1/2007 monthly \$1,625.49 or bi-weekly \$812.75	(251,676.36)	0.00	3,343.46	(248,332.90)
	<u>(251,676.36)</u>	<u>0.00</u>	<u>3,343.46</u>	<u>(248,332.90)</u>

Total Allowance for Impaired Assets (4,293,855.09)

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company in Liquidation**  
**Schedule of Accounts Payable**  
For the Nine Months Ended March 31, 2012

**Sales Tax Payable**

<b>Description</b>	<b>Balance 7/1/11</b>	<b>Payments</b>	<b>Adjustments</b>	<b>Balance 3/31/12</b>
<b>Sales Tax Payable</b>	2,523.51	0.00	3,203.53	5,727.04
	<u>2,523.51</u>	<u>0.00</u>	<u>3,203.53</u>	<u>5,727.04</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company in Liquidation**  
**Schedule of Security Deposits Payable**  
**For the Nine Months Ended March 31, 2012**

**Security Deposits Payable**

<b>Description</b>	<b>Balance 7/1/11</b>	<b>Payments</b>	<b>Adjustments</b>	<b>Balance 3/31/12</b>
Security Deposit (Penny Auction)	1,500.00	0.00	0.00	1,500.00
Security Deposit (Grillmaster Café of Miami)	1,500.00	0.00	0.00	1,500.00
	<u>3,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,000.00</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company in Liquidation**  
**Schedule of Mortgage Payable**  
**For the Nine Months Ended March 31, 2012**

**Mortgage Payable**

<b>Description</b>	<b>Balance 7/1/11</b>	<b>Payments</b>	<b>Adjustments</b>	<b>Balance 3/31/12</b>
608 S. Ocean Drive, Ft. Pierce \$1,355,959.00, 4/10/2006, \$9,508.30 monthly	1,350,507.15	0.00	0.00	1,350,507.15
2300 84th St, Hialeah \$10,785,788.00, 1/17/2006, \$78,990.27 monthly	10,707,598.13	0.00	0.00	10,707,598.13
	<u>12,058,105.28</u>	<u>0.00</u>	<u>0.00</u>	<u>12,058,105.28</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company in Liquidation**  
**Schedule of Secured Claims Against Estate**  
**For the Nine Months Ended March 31, 2012**

**Secured Claims Against Estate**

<b>Description</b>	<b>Balance 7/1/11</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Adjustment</b>	<b>Balance 3/31/12</b>
National Auction Co (automobiles)	92,223.49	0.00	0.00	0.00	92,223.49
<b>Totals:</b>	<u>92,223.49</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>92,223.49</u>

**Secured Claims - Other**

<b>Description</b>	<b>Balance 7/1/11</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Adjustment</b>	<b>Balance 3/31/12</b>
Duque School Bus, Inc. - parking lot	990.00	0.00	0.00	0.00	990.00
CDM Landscaping Corp - parking lot	(190.00)	0.00	0.00	0.00	(190.00)
<b>Totals:</b>	<u>800.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>800.00</u>

**Secured Claims - Other Main Office**

<b>Description</b>	<b>Balance 7/1/11</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Adjustment</b>	<b>Balance 3/31/12</b>
Main Office	597,124.84	0.00	0.00	51,759.35	648,884.19
<b>Totals:</b>	<u>597,124.84</u>	<u>0.00</u>	<u>0.00</u>	<u>51,759.35</u>	<u>648,884.19</u>

**Secured Claims - Other Fort Pierce**

<b>Description</b>	<b>Balance 7/1/11</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Adjustment</b>	<b>Balance 3/31/12</b>
Fort Pierce	44,945.13	0.00	0.00	26,350.00	71,295.13
<b>Totals:</b>	<u>44,945.13</u>	<u>0.00</u>	<u>0.00</u>	<u>26,350.00</u>	<u>71,295.13</u>

**Total Secured Claims:**

813,202.81

**Florida Department of Financial Services, Division of Rehabilitation  
and Liquidation**  
**First Commercial Insurance Co. in Liquidation**  
**Notes to Financial Statements**  
**Dated March 31, 2012**

1. **Estate Information.** First Commercial 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, 2011 through June 30, 2012. 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. **Cash - Company Operating.** Consists of funds currently held in the Company's bank accounts that were used prior to liquidation and have not yet been closed.
7. **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 or brokerage institution in possession of the securities at the balance sheet date. The certificates of deposit in this estate are subject to legal action involving the bank and the Receiver.
8. **Accounts Receivable.** This accounts receivable represents funds due to the estate and for which we have promissory notes.
9. **Marshaled Inventory.** Represents real property and is valued pursuant to the most recent appraisals.
10. **Fixed Assets.** Estimated value of personal property such as office furniture and equipment.
11. **Other Assets.** Consists of a mortgage receivable that is recorded with a 100% allowance.
12. **Advance to Guaranty Association(s).** Represents funds advanced to guaranty associations for the payment of covered claims and expenses. The guaranty association is obligated to promptly return any or all of these funds if the Receiver determines that repayment of claims of equal or superior priority is necessary.
13. **Allowance for Impaired Assets.** Generally an estimate of uncollectible amounts for certain assets. This allowance represents certificates of deposit held by BB&T (formerly Colonial Bank), currently unavailable, and the estimated uncollectible portion of the company's investment in a mortgage receivable.
14. **Accounts Payable.** Consists of Sales Tax payable due on rent collections.
15. **Security Deposits Payable.** Consists of security deposits for leased retail space.
16. **Mortgage Payable.** Mortgages on real property that are part of legal actions between the Receiver and BB&T Bank (formerly Colonial Bank).
17. **Secured Claim.** Consists of rent payments collected from Ascendant pending resolution of mortgages on real property that are part of legal actions between the Receiver and BB&T Bank (formerly Colonial Bank), and revenues and expenses on other property where ownership is in question.



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

**Dated March 31, 2012**

18. **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 December 31, 2011.
- Proof of claim forms have been mailed and the claims deadline expired on August 17, 2010.
  - The guaranty funds claims are being reported at their gross filed amount. All other claims are being reported at their estimated value.
19. **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.
20. **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.