

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company**  
**Statement of Affairs**  
**As of September 30, 2009**

	<u>Estimated Realizable Value</u>
<b>ASSETS</b>	
Cash-Company Operating	(\$522,923.12)
Cash-Restricted	329,542.57
Pooled Cash Due from the Admin Fund	3,800,038.54
Short Term Investments	4,381,368.53
Accrued Interest Receivable	3,563.62
Marshaled Inventory	15,686,500.00
Long Term Investments	4,951,411.00
Fixed Assets	20,000.00
Other Assets	769,205.03
Allowance for Impaired Assets	(4,199,866.53)
Total Assets	<u><u>\$25,218,839.64</u></u>
<b>LIABILITIES</b>	
Accounts Payable	254,090.83
Mortgage Payable	13,173,692.93
Loans Payable	2,097,802.00
Claims Not Prioritized	31,153,370.52
Total Liabilities	<u>\$46,678,956.28</u>
<b>EQUITY</b>	
Contributed Equity - State of Florida	25,495.61
Estate Equity	(21,485,612.25)
Excess (Deficiency) of Assets over Liabilities	<u>(\$21,460,116.64)</u>
Total Liabilities and Equity	<u><u>\$25,218,839.64</u></u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company**  
**Statement of Cash Receipts and Disbursements**  
**From the Date of Liquidation through September 30, 2009**

	<u>Fiscal Year to Date</u>	<u>Since Date of Liquidation</u>
<b>CASH RECEIPTS</b>		
Premium Collections	\$294,168.70	\$294,168.70
Reinsurance Recoveries	54,567.84	54,567.84
Subrogation and Salvage Recoveries	7,266.69	7,266.69
Litigation Recoveries	75.00	75.00
Other Collections / Recoveries	72,172.70	72,172.70
Rental Income	<u>59,600.00</u>	<u>59,600.00</u>
Receipts Before Investment Activities	487,850.93	487,850.93
Interest and Dividend Receipts	<u>172.24</u>	<u>172.24</u>
Receipts From Investment Activities	<u>172.24</u>	<u>172.24</u>
<b>Total Cash Receipts</b>	<b><u>488,023.17</u></b>	<b><u>488,023.17</u></b>
<b>CASH DISBURSEMENTS &amp; DISTRIBUTIONS</b>		
Professional Fees and Expenses	116,459.10	116,459.10
Salaries and Fringe Benefits	536,040.46	536,040.46
Employee Welfare	65.51	65.51
Travel Expenses	26,977.96	26,977.96
Admin Expenses	171,552.02	171,552.02
Equipment and Furniture Expenses	6,319.21	6,319.21
Rent, Building and Equipment	4,260.90	4,260.90
Taxes	<u>8.43</u>	<u>8.43</u>
Disbursements	861,683.59	861,683.59
Disbursements & Distributions Before Investment Activities	861,683.59	861,683.59
Financial Expenses	<u>8,269.19</u>	<u>8,269.19</u>
Disbursements for Investment Activities	<u>8,269.19</u>	<u>8,269.19</u>
<b>Total Cash Disbursements &amp; Distributions</b>	<b><u>869,952.78</u></b>	<b><u>869,952.78</u></b>
<b>Net Increase (Decrease) in Cash</b>	<b><u>(381,929.61)</u></b>	<b><u>(381,929.61)</u></b>
<b>Beginning Cash Balance:</b>		
Beginning Cash	0.00	0.00
Adjustments to Beginning Cash	250,752.34	250,752.34
Cash from New Estates	<u>3,737,835.26</u>	<u>3,737,835.26</u>
<b>Adjusted Beginning Cash Balance</b>	<b><u>3,988,587.60</u></b>	<b><u>3,988,587.60</u></b>
<b>Ending Cash Balance</b>	<b><u>3,606,657.99</u></b>	<b><u>3,606,657.99</u></b>

The accompanying notes & schedules are an integral part of these financial statements  
**UNAUDITED**

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company**  
**Schedule of Cash - Company Operating**  
**For the Three Months Ended September 30, 2009**

**Cash - Company Operating**

<b>Description</b>	<b>gl code</b>	<b>Balance at Liquidation 8/24/09</b>	<b>Adjustments</b>	<b>Balance 9/30/09</b>
Colonial/Wachovia Inactive accounts	1109	(197,283.76)	851.69	(196,432.07)
Wachovia Premium Sweep	1150	5,512,370.62	(4,593,766.88)	918,603.74
Colonial GL Prem Acct #8047477925	1151	(972.35)	972.35	0.00
Colonial GK Prem Acct #8047477933	1152	(1,079.50)	0.00	(1,079.50)
Colonial CA Prem Acct #8047477917	1153	(291.81)	178.16	(113.65)
Colonial Pres MM Acct #8043285447	1154	495.82	(507.79)	(11.97)
Colonial Op AC FCMC #8025091318	1155	(249,691.47)	3,346.39	(246,345.08)
Colonial CMP Prem Acct #8047477396	1156	20,749.20	(5,517.88)	15,231.32
Colonial E&O Prem Acct #8050666711	1157	12,150.85	(35.29)	12,115.56
Colonial New Prem Acct #8032897657	1158	9,979.18	(13,154.82)	(3,175.64)
Wachovia New GK Claims #2000032163780	1160	(54,473.59)	7,530.54	(46,943.05)
Wachovia New WC Claims #2000021423664	1161	(379,321.96)	(355,043.66)	(734,365.62)
Wachovia New CA Claims #2000023587375	1162	(373,791.38)	89,896.89	(283,894.49)
Wachovia New GL Claims #2000021424090	1163	(14,650.40)	27,850.00	13,199.60
Colonial Premium A/C PEO #8043284911	1164	12,223.16	(9,946.32)	2,276.84
Wachovia Operating #200023587443	1165	33,726.94	(5,716.05)	28,010.89
<b>Totals:</b>		<b>4,330,139.55</b>	<b>(4,592,616.37)</b>	<b>(522,923.12)</b>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company**  
**Schedule of Cash - Company Operating - Restricted**  
**For the Three Months Ended September 30, 2009**

**Cash - Company Operating - Restricted**

<u>Description</u>		<b>Balance at Liquidation 8/24/09</b>	<b>Adjustments</b>	<b>Balance 9/30/09</b>
Carolina 1st      Reins Trust Acct		329,542.57	0.00	329,542.57
	Totals:	<u>329,542.57</u>	<u>0.00</u>	<u>329,542.57</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company**  
**Schedule of Short Term Investments**  
**For the Three Months Ended September 30, 2009**

**Short Term Investments**

**Certificates of Deposit**

Description	Balance at Liquidation 8/24/09	Interest Reinvested	Transfers/Fees	Balance 9/30/09
Colonial Bank #8051885633	2,028,286.50	0.00	0.00	2,028,286.50
Colonial Bank #8051886136	2,017,235.69	0.00	0.00	2,017,235.69
	<u>2,028,286.50</u>	<u>0.00</u>	<u>0.00</u>	<u>4,045,522.19</u>

**Money Market Accounts**

Description	Balance at Liquidation 8/24/09	Interest Reinvested	Transfers/Fees	Balance 9/30/09
Ameritrade MMkt - Primary Res Fund	104,344.34	0.00	0.00	104,344.34
Merrill Lynch MMkt	75,302.00	0.00	0.00	75,302.00
	<u>104,344.34</u>	<u>0.00</u>	<u>0.00</u>	<u>179,646.34</u>

**Other Short Term Investments**

Description	Balance at Liquidation 8/24/09	Interest Reinvested	Transfers/Fees	Balance 9/30/09
Ameritrade Fixed Income - Arizona Bond	50,000.00	0.00	0.00	50,000.00
Merrill Lynch Mutual Funds	106,200.00	0.00	0.00	106,200.00
	<u>50,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>156,200.00</u>

**Total Short Term Investments:** 4,381,368.53

**Short Term Investments - Allowance for Impaired Assets**

Description	Balance at Liquidation 8/24/09	Increases	Decreases	Balance 9/30/09
Ameritrade MMkt Primary Res Fund	(104,344.34)	0.00	0.00	(104,344.34)
Ameritrade Fixed Income AZ H	(50,000.00)	0.00	0.00	(50,000.00)
Colonial Bank #8051885633	(2,028,286.50)	0.00	0.00	(2,028,286.50)
Colonial Bank #8051886136	(2,017,235.69)	0.00	0.00	(2,017,235.69)
	<u>(50,000.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>(4,199,866.53)</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company**  
**Schedule of Accrued Interest Receivable**  
**For the Three Months Ended September 30, 2009**

**Accrued Interest Receivable**

<b>Description</b>		<b>Balance at Liquidation 8/24/09</b>	<b>Accrued</b>	<b>Received</b>	<b>Balance 9/30/09</b>
State Treasury	SPIA, 4-20-0-010000-00000	0.00	3,563.62	0.00	3,563.62
<b>Totals:</b>		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,563.62</u>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company**  
**Schedule of Fixed Assets**  
**For the Three Months Ended September 30, 2009**

**Marshaled Inventory**

<b>Description</b>	<b>Balance at Liquidation 8/24/09</b>	<b>Adjustments</b>	<b>Balance 9/30/09</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
1215 SW 7th St & 626, 646 12th Ave	1,525,000.00	0.00	1,525,000.00
2300 84th St, Hialeah	12,000,000.00	0.00	12,000,000.00
	<b>15,686,500.00</b>	<b>0.00</b>	<b>15,686,500.00</b>

**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company**  
**Schedule of Long Term Investments**  
**For the Three Months Ended September 30, 2009**

**Long Term Investments**

**Bonds - Other US Government**

Description	Balance at Liquidation 8/24/09	Interest Reinvested	Transfers/Fees	Balance 9/30/09
Merrill Lynch	891,099.00	0.00	0.00	891,099.00
	<u>891,099.00</u>	<u>0.00</u>	<u>0.00</u>	<u>891,099.00</u>

**Bonds - Municipal**

Description	Balance 8/24/09	Interest Reinvested	Transfers/Fees	Balance 9/30/09
Merrill Lynch	512,885.00	0.00	0.00	512,885.00
	<u>512,885.00</u>	<u>0.00</u>	<u>0.00</u>	<u>512,885.00</u>

**Bonds - Corporate**

Description	Balance 8/24/09	Interest Reinvested	Transfers/Fees	Balance 9/30/09
Merrill Lynch	3,234,570.00	0.00	0.00	3,234,570.00
	<u>3,234,570.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,234,570.00</u>

**Bonds - Other**

Description	Balance 8/24/09	Interest Reinvested	Transfers/Fees	Balance 9/30/09
Merrill Lynch	312,857.00	0.00	0.00	312,857.00
	<u>312,857.00</u>	<u>0.00</u>	<u>0.00</u>	<u>312,857.00</u>

**Total Short Term Investments:** 4,951,411.00



**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company**  
**Schedule of Fixed Assets**  
**For the Three Months Ended September 30, 2009**

**Fixed Assets**

<b>Description</b>	<b>Balance at Liquidation 8/24/09</b>	<b>Adjustments</b>	<b>Balance 9/30/09</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**  
**Schedule of Other Assets**  
For the Three Months Ended September 30, 2009

**Statutory Deposits**

Description	Balance at Liquidation 8/24/09	Interest	Adjustments	Balance 9/30/09
Goergia Statutory Deposit	75,004.84	0.00	0.00	75,004.84
Totals	<u>75,004.84</u>	<u>0.00</u>	<u>0.00</u>	<u>75,004.84</u>

**Mortgage Receivable**

Description	Balance at Liquidation 8/24/09	Adjustments	Balance 9/30/09
PIC	439,451.77	0.00	439,451.77
Vicente Suarez	254,748.42	0.00	254,748.42
Totals	<u>694,200.19</u>	<u>0.00</u>	<u>694,200.19</u>

Totals	<u><u>769,205.03</u></u>
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**Florida Department of Financial Services, Division of Rehabilitation and Liquidation**  
**First Commercial Insurance Company**  
**Schedule of Accounts Payable**  
**For the Three Months Ended September 30, 2009**

**Accounts Payable**

<b>Description</b>	<b>Balance at Liquidation 8/24/09</b>	<b>Accrued</b>	<b>Adjustment</b>	<b>Balance 9/30/09</b>
Balance of funds advanced by FWCIGA	0.00	500,000.00	(245,909.17)	254,090.83
<b>Totals:</b>	<u>0.00</u>	<u>500,000.00</u>	<u>(245,909.17)</u>	<u>254,090.83</u>

**Mortgage payable**

<b>Description</b>	<b>Balance at Liquidation 8/24/09</b>	<b>Accrued</b>	<b>Adjustment</b>	<b>Balance 9/30/09</b>
608 S Ocean Drive, Ft. Pierce	1,350,507.15	0.00	0.00	1,350,507.15
8090 W 23rd Ave, Hialeah	1,115,587.65	0.00	0.00	1,115,587.65
2300 84th St, Hialeah	10,707,598.13	0.00	0.00	10,707,598.13
<b>Totals:</b>	<u>13,173,692.93</u>	<u>0.00</u>	<u>0.00</u>	<u>13,173,692.93</u>

**Loan Payable**

<b>Description</b>	<b>Balance at Liquidation 8/24/09</b>	<b>Accrued</b>	<b>Adjustment</b>	<b>Balance 9/30/09</b>
Merrill Lynch Margin Account	2,097,802.00	0.00	0.00	2,097,802.00
<b>Totals:</b>	<u>2,097,802.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,097,802.00</u>

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

**Dated September 30, 2009**

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 through June 30. 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. **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. **Cash - Restricted.** Consists of funds held at Carolina First pursuant to a Trust Agreement. The Receiver is negotiating with the ceding company for the release of these funds.
8. **Short Term & Long Term Investments.** 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.
9. **Marshaled Inventory.** Represents real property and is valued pursuant to recent appraisals.
10. **Fixed Assets.** Estimated value of personal property such as office furniture and equipment.
11. **Other Assets.** Consist of the Georgia Statutory deposit and two mortgage receivables.
12. **Allowance for Impaired Assets.** Generally an estimate of uncollectible amounts for certain assets. This allowance represents certificates of deposit held by Colonial Bank, currently unavailable, and the estimated uncollectible portion of the company's investment through Ameritrade in the Primary Reserve Fund and an auction rate security.
13. **Accounts Payable.** Consists of funds advanced by FWCIGA to ensure sufficient funds were available to pay workers compensation claims without interruption while the estate was being placed in liquidation.
14. **Mortgage Payable.** Mortgages on real property that are part of legal actions between the Receiver and BB&T Bank (formerly Colonial Bank).
15. **Loans Payable.** Consists of a margin loan account the company had set up with Merrill Lynch as part of their investment program.

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

**Dated September 30, 2009**

16. **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 has 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 the date of liquidation.
- The outstanding claim liability as of September 11, 2009 is \$31,153,370.52.
  - Proof of claim forms have not been mailed.
17. **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.
18. **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.