

IN THE CIRCUIT COURT OF THE  
SECOND JUDICIAL CIRCUIT, IN  
AND FOR LEON COUNTY, FLORIDA

IN RE: The Receivership of  
MAGNOLIA INSURANCE COMPANY,  
a Florida corporation.

CASE NO.: 2010-CA-1522

**DEPARTMENT'S MOTION FOR APPROVAL OF FINAL CLAIMS REPORT,  
DISTRIBUTION REPORT AND DISTRIBUTION ACCOUNTING, AND FOR ORDER  
AUTHORIZING DISTRIBUTION**

The Florida Department of Financial Services, in its capacity as Receiver for Magnolia Insurance Company, hereby files this Motion for Approval of Final Claims Report, Claims Distribution Report and Distribution Accounting, and for Order Authorizing Distribution, and states as follows:

1. Effective April 30, 2010, the Department of Financial Services was appointed as Receiver in liquidation for Magnolia Insurance Company ("Department" or "MIC").
2. This Court has jurisdiction over the MIC Receivership and is "authorized to make all necessary or proper orders to carry out the purposes of the Florida Insurers Rehabilitation and Liquidation Act", Section 631.021, Florida Statutes.
3. This Court entered the Order Approving the Receiver's First Interim Claims Report and Recommendation on Claims on July 10, 2013, which addressed non-guaranty claims in Classes 2 and 3.
4. The Court then entered the following Orders approving subsequent Interim Claims Reports: on November 12, 2013, the Court approved the Second Interim Claims Report, which reported non-guaranty claims in Classes 6 and 8; on December 4, 2013, the Court approved the Third Interim Claims Report, which reported non-guaranty claims in Classes 2 and 6; on March 24, 2016, the court approved the Fourth Interim Claims Report

which reported two non-guaranty claims in Classes 2 and 8; and on July 21, 2016, the Court approved the Fifth Interim Claims Report, which addressed only guaranty association claims.

5. As of the filing of the Final Claims Report, there are available funds to distribute to approximately 22.296 % of the Class 3 claims, after distribution to Classes 1 and 2.

6. The Department's Final Claims Report is extremely detailed and contains non-public personal information, including personally identifiable financial information, relating to claimants. Pursuant to Federal Law, specifically the Gramm-Leach-Bliley Act, 15 USCS §6801 (hereinafter "the Act"), there is an obligation to protect the security and confidentiality of an individual's non-public personal information.

7. In furtherance of the Act's purpose, and in order to protect claimants of the MIC estate, the Department has not attached the full Final Claims Report to this Motion. Instead, the Department offers the summary pages of the Report that reflect the total amounts claimed and recommended by the Department. Upon this Court's request, the Department will immediately provide a full copy of the Final Claims Report to the Court.

8. The Final Claims Report is broken down into two parts: Part A is for non-guaranty association claimants, and Part B is for guaranty association claimants. Summary pages of both Parts A and B are attached as Composite Exhibit A. This Report reflects classification of filed claims by priority in accordance with Section 631.271, Florida Statutes.

9. The total amount claimed in Part A of the Report is \$42,864,783.28. The total amount recommended by the Department in Part A of the Report is \$19,548,825.62. The total amount claimed in Part B of the Report is \$50,888,585.59. The total amount recommended by the Department in Part B of the Report is \$50,888,585.59. The Final Claims Report also incorporates the resolution of all timely filed objections and claimant

information updates. Future claimant information updates resulting from the distribution process will be incorporated into the Department's database.

10. With the approval of the Department's Final Claims Report, the Department is now in a position to make a distribution of receivership assets. Said assets will be distributed to Classes 1 and 2, and pro rata to Class 3, in accordance with the Claims Distribution Report ("CDR") summary page, dated September 7, 2017 (Exhibit B). The CDR lists all claims where an approved amount has been recommended in the Final Claims Report for distribution at this time and is in accordance with Section 631.271, Florida Statutes.

11. Based upon the *Distribution Accounting – Projected for October 2017* (Composite Exhibit C), the Department is prepared to make a distribution of \$1,021,331.56 to Class 1 through Class 3 claimants. This distribution represents a 100% distribution of the recommended claim amount for Classes 1 and 2 and an approximate 22.296% distribution of the recommended claim amount for Class 3 claims. The final pro-rata calculation and the amount distributed may have a slight variance due to rounding at the time of check processing.

12. The Department notes, and the Distribution Accounting reflects, that Early Access payments to the guaranty associations have already been made, as approved by this Court, in the total amount of \$41,926,347.48.

13. The Department recommends that the Final Claims Report, Claims Distribution Report, and the Distribution Accounting be approved.

14. Despite the Department's best efforts, some approved claims may have inadequate current address information, and/or may not have provided the Department with a W-9 form, required by the Internal Revenue Service. The distribution amounts that go

unclaimed and/or the checks for the claimants that are returned to the Department will be verified in an unclaimed property report. The Department asks the Court for authority to remit the funds due to these claimants to the appropriate divisions of unclaimed property in the appropriate states.

15. In an ongoing effort to maintain accuracy and efficiency, the Department proactively works to update its records to reflect change of address information for interested parties (i.e. agents, claimants, creditors, policyholders, etc.) before mailing notifications and distribution checks. The Department has access to databases and other publicly available information which provide updated information. The Department recommends that it have the authority to search for change of address information when applicable and to use said information for future mailings without further direction of the Court.

16. In order to ensure the validity of claim assignments and that the processing of assignments does not create an undue burden on estate assets, the Department does not recognize or accept any assignment of claim by the claimant of record when a distribution motion or petition has been filed with the Receivership Court. The Department recommends that any assignment on the claims referenced in this Motion that are received after the filing of this Motion be rejected.

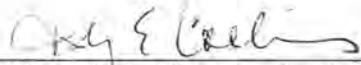
WHEREFORE the Department respectfully requests this Court grant this Motion and enter an Order:

- A. Approving the Final Claims Report, Claims Distribution Report and Claims Distribution Accounting;
- B. Directing the Department to make the above referenced distribution of approximately \$1,021,331.56 to the Class 1 through 3 claimants in this receivership, as outlined in the Distribution Accounting;

- C. Approving that unclaimed distribution amounts be transferred to the appropriate division(s) of unclaimed property;
- D. Authorizing the Department to proactively search for change of address information for interested parties and to use the change of address information for future mailings; and
- E. Approving the Department's recommendation on assignment of claims.

Dated this 9 day of October, 2017.

Respectfully submitted,



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FLORIDA DEPARTMENT OF FINANCIAL SERVICES - DIVISION OF REHABILITATION AND LIQUIDATION  
MAGNOLIA INSURANCE COMPANY  
FINAL CLAIMS REPORT  
PART A - FOR NON GUARANTY ASSOCIATION CLAIMANTS

**SUMMARY TOTALS**

TOTAL AMOUNT CLAIMED BY NON GUARANTY ASSOCIATION CLAIMANTS	\$42,864,783.28
TOTAL AMOUNT RECOMMENDED TO NON GUARANTY ASSOCIATION CLAIMANTS	\$19,548,825.62
<b>TOTAL NUMBER</b>	<b>28,799</b>

**Secured Claims**

COUNT OF SECURED CLAIMS	0
AMOUNT CLAIMED FOR SECURED CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR SECURED CLAIMS TO NON GUARANTY ASSOCIATION	

**UnSecured Claims**

COUNT OF CLASS 1 CLAIMS	0	COUNT OF CLASS 6 CLAIMS	77
AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00	AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY NON GUARANTY ASSOCIATION	\$30,051,528.14
AMOUNT RECMD FOR CLASS 1 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS		AMOUNT RECMD FOR CLASS 6 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS	\$16,370,230.14
COUNT OF CLASS 2 CLAIMS	258	COUNT OF CLASS 7 CLAIMS	1
AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY NON GUARANTY ASSOCIATION	\$9,542,844.59	AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY NON GUARANTY ASSOCIATION	\$1,753,255.13
AMOUNT RECMD FOR CLASS 2 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS	\$400,907.63	AMOUNT RECMD FOR CLASS 7 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS	
COUNT OF CLASS 3 CLAIMS	28,432	COUNT OF CLASS 8 CLAIMS	31
AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY NON GUARANTY ASSOCIATION	\$508,945.82	AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY NON GUARANTY ASSOCIATION	\$1,008,209.60
AMOUNT RECMD FOR CLASS 3 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS	\$2,777,687.65	AMOUNT RECMD FOR CLASS 8 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS	
COUNT OF CLASS 4 CLAIMS	0	COUNT OF CLASS 9 CLAIMS	0
AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00	AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 4 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS		AMOUNT RECMD FOR CLASS 9 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS	
COUNT OF CLASS 5 CLAIMS	0	COUNT OF CLASS 10 CLAIMS	0
AMOUNT CLAIMED FOR CLASS 5 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00	AMOUNT CLAIMED FOR CLASS 10 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 5 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS		AMOUNT RECMD FOR CLASS 10 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS	

Note: If status is unevaluated, then dollar amounts have been suppressed



FLORIDA DEPARTMENT OF FINANCIAL SERVICES - DIVISION OF REHABILITATION AND LIQUIDATION  
MAGNOLIA INSURANCE COMPANY  
FINAL CLAIMS REPORT  
PART B - FOR GUARANTY ASSOCIATION

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY GUARANTY ASSOCIATION	\$50,888,585.59
TOTAL AMOUNT RECOMMENDED TO GUARANTY ASSOCIATION	\$50,888,585.59
 TOTAL NUMBER	 4

COUNT OF CLASS 1 CLAIMS	2	COUNT OF CLASS 6 CLAIMS	0
AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY GUARANTY ASSOCIATION :	\$9,811,924.24	AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 1 CLAIMS TO GUARANTY ASSOCIATION :	\$9,811,924.24	AMOUNT RECMD FOR CLASS 6 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00
 COUNT OF CLASS 2 CLAIMS	 1	 COUNT OF CLASS 7 CLAIMS	 0
AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY GUARANTY ASSOCIATION :	\$29,544,272.87	AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 2 CLAIMS TO GUARANTY ASSOCIATION :	\$29,544,272.87	AMOUNT RECMD FOR CLASS 7 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00
 COUNT OF CLASS 3 CLAIMS	 1	 COUNT OF CLASS 8 CLAIMS	 0
AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY GUARANTY ASSOCIATION :	\$11,532,388.48	AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 3 CLAIMS TO GUARANTY ASSOCIATION :	\$11,532,388.48	AMOUNT RECMD FOR CLASS 8 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00
 COUNT OF CLASS 4 CLAIMS	 0	 COUNT OF CLASS 9 CLAIMS	 0
AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00	AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 4 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00	AMOUNT RECMD FOR CLASS 9 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00
 COUNT OF CLASS 5 CLAIMS	 0	 COUNT OF CLASS 10 CLAIMS	 0
AMOUNT CLAIMED FOR CLASS 5 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00	AMOUNT CLAIMED FOR CLASS 10 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 5 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00	AMOUNT RECMD FOR CLASS 10 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00

Note: If status is unevaluated, then dollar amounts have been suppressed

FLORIDA DEPARTMENT OF FINANCIAL SERVICES-DIVISION OF REHABILITATION AND LIQUIDATION  
MAGNOLIA INSURANCE COMPANY  
CLAIMS DISTRIBUTION REPORT

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED	\$57,372,096.34
TOTAL AMOUNT RECOMMENDED	\$54,067,181.07
 TOTAL NUMBER	 28,593

Secured Claims

COUNT OF SECURED CLAIMS	0
AMOUNT CLAIMED FOR SECURED CLAIMS	
AMOUNT RECOMMENDED FOR SECURED CLAIMS	

Unsecured Claims

COUNT OF CLASS 1 CLAIMS	2	COUNT OF CLASS 6 CLAIMS	0
AMOUNT CLAIMED FOR CLASS 1 CLAIMS	\$9,811,924.24	AMOUNT CLAIMED FOR CLASS 6 CLAIMS	
AMOUNT RECOMMENDED FOR CLASS 1 CLAIMS	\$9,811,924.24	AMOUNT RECOMMENDED FOR CLASS 6 CLAIMS	
COUNT OF CLASS 2 CLAIMS	160	COUNT OF CLASS 7 CLAIMS	0
AMOUNT CLAIMED FOR CLASS 2 CLAIMS	\$35,522,640.77	AMOUNT CLAIMED FOR CLASS 7 CLAIMS	
AMOUNT RECOMMENDED FOR CLASS 2 CLAIMS	\$29,945,180.50	AMOUNT RECOMMENDED FOR CLASS 7 CLAIMS	
COUNT OF CLASS 3 CLAIMS	28,431	COUNT OF CLASS 8 CLAIMS	0
AMOUNT CLAIMED FOR CLASS 3 CLAIMS	\$12,037,531.33	AMOUNT CLAIMED FOR CLASS 8 CLAIMS	
AMOUNT RECOMMENDED FOR CLASS 3 CLAIMS	\$14,310,076.33	AMOUNT RECOMMENDED FOR CLASS 8 CLAIMS	
COUNT OF CLASS 4 CLAIMS	0	COUNT OF CLASS 9 CLAIMS	0
AMOUNT CLAIMED FOR CLASS 4 CLAIMS		AMOUNT CLAIMED FOR CLASS 9 CLAIMS	
AMOUNT RECOMMENDED FOR CLASS 4 CLAIMS		AMOUNT RECOMMENDED FOR CLASS 9 CLAIMS	
COUNT OF CLASS 5 CLAIMS	0	COUNT OF CLASS 10 CLAIMS	0
AMOUNT CLAIMED FOR CLASS 5 CLAIMS		AMOUNT CLAIMED FOR CLASS 10 CLAIMS	
AMOUNT RECOMMENDED FOR CLASS 5 CLAIMS		AMOUNT RECOMMENDED FOR CLASS 10 CLAIMS	

Note: if status is unevaluated, then dollar amounts have been suppressed



**Magnolia Insurance Company**  
**Distribution Accounting**  
**Projected for October 2017 Distribution**

**ESTIMATED ASSETS AT SEPTEMBER 30, 2017**

	<u>Value</u>	<u>Reference</u>
Cash	\$ 1,172,526.56	Schedule A
Advance Payments to Guaranty Assoc.	41,926,347.48	
<b>Total Assets</b>	<b>\$ 43,098,874.04</b>	

**ESTIMATED FUNDS RETAINAGE**

	<u>Value</u>	<u>Reference</u>
Class I - Administrative Claims Retainage for Receiver Expenses Estimate (November 2017 - June 2018)	146,695.00	Schedule B
Discharge Expenses Retainage for records storage, records destruction, tax return prep. & labor	4,500.00	Schedule E
<b>Total Proposed Retainage</b>	<b>151,195.00</b>	

**TOTAL AVAILABLE TO DISTRIBUTE** **\$ 42,947,679.04**

**DISTRIBUTION RECOMMENDATION**

	<u>Claims Value</u>	<u>Less Previous Claims Distributions</u>	<u>Value of Claims Outstanding</u>	<u>Apply Adv. Pmts. to Guaranty Assoc.</u>	<u>Recommended Distribution</u>	<u>% Value of Claims Outstanding</u>	<u>% Value of Gross Filed Claims</u>	<u>Total % of Claims Value Distributed</u>
Class I - Administrative Claims-Guaranty Funds	\$ 9,811,924.24	\$ -	\$ 9,811,924.24	\$ 9,811,924.24	\$ -	100.0000%	100.0000%	100.0000%
Class II - Loss Claims-Guaranty Funds	29,544,272.87	-	29,544,272.87	\$ 29,544,272.87	-	100.0000%	100.0000%	100.0000%
Class II - Loss Claims-Other	400,907.63	-	400,907.63	-	400,907.63	100.0000%	100.0000%	100.0000%
Class III - Return Premium Claims-Guaranty Funds	11,532,388.48	-	11,532,388.48	\$ 2,570,150.37	1,110.71	22.2960%	22.2960%	22.2960%
Class III - Return Premium Claims-Other	2,777,687.85	-	2,777,687.85	-	619,313.22	22.2960%	22.2960%	22.2960%
Class IV - Federal Government Claims	-	-	-	-	-	0.0000%	0.0000%	0.0000%
Class V - Employee Claims	-	-	-	-	-	0.0000%	0.0000%	0.0000%
Class VI - General Creditors Claims GA	-	-	-	-	-	0.0000%	0.0000%	0.0000%
Class VI - General Creditors Claims Other	29,634,253.26	-	29,634,253.26	-	-	0.0000%	0.0000%	0.0000%
Class VII - State & Local Government Claims	1,753,255.13	-	1,753,255.13	-	-	0.0000%	0.0000%	0.0000%
Class VIII - Late Filed Claims	25,251.55	-	25,251.55	-	-	0.0000%	0.0000%	0.0000%
Class IX - Surplus/Other-GA	-	-	-	-	-	0.0000%	0.0000%	0.0000%
Class IX - Surplus/Other Claims	-	-	-	-	-	0.0000%	0.0000%	0.0000%
<b>Totals</b>	<b>\$ 85,479,941.01</b>	<b>\$ -</b>	<b>\$ 85,479,941.01</b>	<b>\$ 41,926,347.48</b>	<b>\$ 1,021,331.56</b>			

**Index to Attached Schedules:**

- Schedule A - Available Cash Projection
- Schedule B - Estimated Funds to be Retained by the Receiver for Discharge of the Estate
- Schedule C - Allocated State Funds Expensed
- Schedule D - Interest Earnings Projection - Pooled Cash
- Schedule E - Receiver Discharge Expenses
- Schedule F - Contributed Equity

**Magnolia Insurance Company**  
**Available Cash Projection**  
**Projected for October 2017 Distribution**

	Cash Balance as of 6/30/17	Jul-17	Aug-17	Sep-17
<b>Beginning Pooled Cash Balance</b>		\$ 1,159,539.76	\$ 1,128,826.56	\$ 1,098,196.56
<b>Recovery from FIGA</b>				105,000.00
<b>Direct Receiver Expenses (Actual or Estimated)</b>				
Rent-Records, Bank Fees, Postage		350.00	350.00	350.00
<b>Sub-total</b>		<b>350.00</b>	<b>350.00</b>	<b>350.00</b>
<b>Allocated Receiver Expenses (Estimated)</b>				
Labor & Benefits		24,390.00	24,390.00	24,390.00
Indirect Expenses		7,320.00	7,320.00	7,320.00
<b>Sub-total</b>		<b>31,710.00</b>	<b>31,710.00</b>	<b>31,710.00</b>
<b>Cash Balance Before Interest Earnings</b>		<b>1,127,479.76</b>	<b>1,096,766.56</b>	<b>1,171,136.56</b>
<b>Interest Earnings</b>				
<b>Pooled Cash:</b>				
Actual SPIA Earnings for June to be credited on 7/01/2017.		1,346.80		
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash balance (See Schedule D)			1,430.00	\$ 1,390.00
<b>Ending Pooled Cash Balance</b>	<b>\$ 1,159,539.76</b>	<b>\$ 1,128,826.56</b>	<b>\$ 1,098,196.56</b>	<b>\$ 1,172,526.56</b>

**Assumptions for Allocated Receiver Expenses:**

<sup>1</sup> Labor & Benefits: This estimate is based on a four month actual average. Doubled for increased activity leading up to distribution.

Mar Actual	\$ 10,347.52
April Actual	7,429.49
May Actual	9,852.90
June Actual	21,150.14
Sub-total	48,780.05
4 mth actual average (rounded)	12,195.00
Doubled for increased activity level	\$ 24,390.00

<sup>2</sup> Indirect Expenses: This estimate is Magnolia's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on Magnolia's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	6.00%
Estimated Total for the Receiver	\$ 122,000.00
Estimated Expense (rounded)	\$ 7,320.00

**Magnolia Insurance Company**  
 Estimated Funds to be Received by the Receiver for Discharge of the Estate  
 Estimated from October 2017 through the Projected Discharge Date of June 2018

	September	October	November	December	Jan-18	February	March	April	May	June	Retainage Calculation
Beginning Cash Balance		\$ 1,172,526.56	\$ 120,555.00	\$ 96,015.00	\$ 83,000.00	\$ 69,955.00	\$ 56,900.00	\$ 43,825.00	\$ 30,730.00	\$ 17,825.00	
Direct Receiver Expenses											
Records Storage, Bank Fees, Postage		350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	
<b>Sub-total</b>		350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	3,150.00
Allocated Receiver Expenses											
Labor & Benefits		24,390.00	24,390.00	12,195.00	12,195.00	12,195.00	12,195.00	12,195.00	12,195.00	12,195.00	
Indirect Expenses		7,320.00	610.00	610.00	610.00	610.00	610.00	610.00	610.00	610.00	
<b>Sub-total</b>		31,710.00	25,000.00	12,805.00	12,805.00	12,805.00	12,805.00	12,805.00	12,805.00	12,805.00	146,345.00
Claims Distribution (Approx.)		1,021,331.55									
Cash Balance Before Interest Earnings		119,135.00	95,205.00	82,860.00	69,845.00	56,800.00	43,745.00	30,670.00	17,575.00	4,470.00	
Interest Earnings											
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash balance (See Schedule D)		1,420.00	810.00	140.00	110.00	100.00	80.00	60.00	50.00	30.00	2,800.00
<b>Projected Ending Cash Balance</b>		\$ 1,172,526.55	\$ 120,555.00	\$ 96,015.00	\$ 83,000.00	\$ 69,955.00	\$ 56,900.00	\$ 43,825.00	\$ 30,730.00	\$ 17,825.00	\$ 4,600.00
<b>Retainage for Receiver's Expenses</b>											\$ 146,345.00

**Assumptions for Allocated Receiver Expenses:**

(a) Labor & Benefits: This estimate is based on a four month actual average. Doubled for increased activity through the distribution and check mailing month. Monthly average used after February

Mar Actual	\$ 10,347.52
April Actual	7,428.49
May Actual	9,852.80
June Actual	21,150.14
Sub-total	48,780.05
4 mth actual average (rounded)	\$ 12,195.00
Doubled for increased activity level	\$ 24,390.00

(b) Indirect Expenses: This estimate is Magnolia's estimated pro rata share of the Receiver's estimated total indirect expenses  
 (c) The pro rata share calculation is based on Magnolia's estimated total assets divided by the Receiver's estimated total assets for all receiverships

	Before Distribution	After Distribution
Estimated Total Asset %	6.00%	0.50%
Estimated Total for the Receiver	\$ 122,000.00	\$ 122,000.00
Estimated Expense (rounded)	\$ 7,320.00	\$ 610.00

**Magnolia Insurance Company**  
**Allocated State Funds Expensed**  
 Estimated from July 2017 through the Projected Discharge Date of June 30, 2018  
**THIS STATEMENT INCLUDED FOR INFORMATION PURPOSES ONLY - AMOUNTS NOT PART OF DISTRIBUTION CALCULATION**

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Totals
<b>Accrued Allocated State of Florida Expenses (Estimated)</b>													
Labor & Benefits	\$ 520.00	\$ 520.00	\$ 520.00	\$ 520.00	\$ 520.00	\$ 260.00	\$ 260.00	\$ 260.00	\$ 260.00	\$ 260.00	\$ 260.00	\$ 260.00	\$ 2,860.00
Indirect Expenses	600.00	600.00	600.00	600.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	2,500.00
<b>Total</b>	<b>\$ 1,120.00</b>	<b>\$ 1,120.00</b>	<b>\$ 1,120.00</b>	<b>\$ 1,120.00</b>	<b>\$ 570.00</b>	<b>\$ 310.00</b>	<b>\$ 310.00</b>	<b>\$ 310.00</b>	<b>\$ 310.00</b>	<b>\$ 310.00</b>	<b>\$ 310.00</b>	<b>\$ 310.00</b>	<b>\$ 5,360.00</b>

**Assumptions for Allocated State of Florida Expenses:**

1 Labor & Benefits: This estimate is based on a four month actual average. Doubled for increased activity through the distribution and check mailing month

March	\$ 197.86
April	146.74
May	247.56
June	462.55
Sub-total	1,054.71
4 mth actual average (rounded)	260.00
Doubled for increased distribution activity	\$ 520.00

2 Indirect Expenses: This estimate is Magnolia's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on Magnolia's estimated total assets divided by the Receiver's estimated total assets for all receiverships

	Before Distribution	After Distribution
Estimated Total Asset %	6.00%	0.50%
Estimated Total for the State	\$ 10,000.00	\$ 10,000.00
Estimated Expense (rounded)	\$ 600.00	\$ 50.00

3 Per current Receiver policies and procedures, these accumulated amounts are recorded directly against estate equity as opposed to a liability account.

**Magnolia Insurance Company**  
**Interest Earnings Projection - Pooled Cash**  
**Projected for October 2017 Distribution**

<b><u>Interest accrued for July</u></b>			<b><u>Interest accrued for Jan-18</u></b>	
Beginning cash balance	1,159,539.76		Beginning cash balance	83,000.00
Ending cash balance	1,128,826.56		Ending cash balance	69,955.00
Average cash balance for July	1,144,183.16		Average cash balance for January	76,477.50
Assumed SPIA interest rate (Annualized)	1.50%		Assumed SPIA interest rate (Annualized)	1.50%
Subtotal (Annualized)	17,162.75		Subtotal (Annualized)	1,147.16
<b>Accrual for July</b>	<b>\$ 1,430.00</b>		<b>Accrual for January</b>	<b>\$ 100.00</b>
<b><u>Interest accrued for August</u></b>			<b><u>Interest accrued for Feb-18</u></b>	
Beginning cash balance	1,128,826.56		Beginning cash balance	69,955.00
Ending cash balance	1,098,196.56		Ending cash balance	56,900.00
Average cash balance for August	1,113,511.56		Average cash balance for February	63,427.50
Assumed SPIA interest rate (Annualized)	1.50%		Assumed SPIA interest rate (Annualized)	1.50%
Subtotal (Annualized)	16,702.67		Subtotal (Annualized)	951.41
<b>Accrual for August</b>	<b>\$ 1,390.00</b>		<b>Accrual for February</b>	<b>\$ 80.00</b>
<b><u>Interest accrued for September</u></b>			<b><u>Interest accrued for March-18</u></b>	
Beginning cash balance	1,098,196.56		Beginning cash balance	56,900.00
Ending cash balance	1,172,526.56		Ending cash balance	43,825.00
Average cash balance for September	1,135,361.56		Average cash balance for March	50,362.50
Assumed SPIA interest rate (Annualized)	1.50%		Assumed SPIA interest rate (Annualized)	1.50%
Subtotal (Annualized)	17,030.42		Subtotal (Annualized)	755.44
<b>Accrual for September</b>	<b>\$ 1,420.00</b>		<b>Accrual for March</b>	<b>\$ 60.00</b>
<b><u>Interest accrued for October</u></b>			<b><u>Interest accrued for April-18</u></b>	
Beginning cash balance	1,172,526.56		Beginning cash balance	43,825.00
Ending cash balance	120,555.00		Ending cash balance	30,730.00
Average cash balance for October	646,540.78		Average cash balance for April	37,277.50
Assumed SPIA interest rate (Annualized)	1.50%		Assumed SPIA interest rate (Annualized)	1.50%
Subtotal (Annualized)	9,698.11		Subtotal (Annualized)	559.16
<b>Accrual for October</b>	<b>\$ 810.00</b>		<b>Accrual for April</b>	<b>\$ 50.00</b>
<b><u>Interest accrued for November</u></b>			<b><u>Interest accrued for May-18</u></b>	
Beginning cash balance	120,555.00		Beginning cash balance	30,730.00
Ending cash balance	96,015.00		Ending cash balance	17,625.00
Average cash balance for November	108,285.00		Average cash balance for May	24,177.50
Assumed SPIA interest rate (Annualized)	1.50%		Assumed SPIA interest rate (Annualized)	1.50%
Subtotal (Annualized)	1,624.28		Subtotal (Annualized)	362.66
<b>Accrual for November</b>	<b>\$ 140.00</b>		<b>Accrual for May</b>	<b>\$ 30.00</b>
<b><u>Interest accrued for December</u></b>			<b><u>Interest accrued for June-18</u></b>	
Beginning cash balance	96,015.00		Beginning cash balance	17,625.00
Ending cash balance	83,000.00		Ending cash balance	4,500.00
Average cash balance for December	89,507.50		Average cash balance for June	11,062.50
Assumed SPIA interest rate (Annualized)	1.50%		Assumed SPIA interest rate (Annualized)	1.50%
Subtotal (Annualized)	1,342.61		Subtotal (Annualized)	165.84
<b>Accrual for December</b>	<b>\$ 110.00</b>		<b>Accrual for June</b>	<b>\$ 10.00</b>

**Magnolia Insurance Company**  
**Receiver Discharge Expenses**  
**Projected for October 2017 Distribution**

**Discharge Expenses (Projected for Post 6/30/2018)**

Records Storage, Labor, Scanning Permanent Records,

Unclaimed Property Scanning and Holders Rpts

2017-18 Tax Return Preparation

**Total**

4,500.00

**\$ 4,500.00**



**Magnolia Insurance Company**  
**Statement of Contributed Equity from Regulatory Trust Fund Estimated Balances**  
**Projected for Discharge by 6/30/2018**

<b>Contributed Equity Balance as of 6/30/2017</b>	\$	136,418.52
Accrual for July 2017 - June 2018 (Estimate from Schedule C)	<u>\$</u>	<u>5,360.00</u>
<b>Total</b>	\$	<u>5,360.00</u>
<b>Projected Contributed Equity Balance as of 6/30/2018</b>	<u>\$</u>	<u><b>141,778.52</b></u>