

NO. D-1-GN-18-001933

TEXAS DEPARTMENT OF INSURANCE §
VS. §
GRAND COURT ORDER OF CALANTHE §

IN THE DISTRICT COURT OF
TRAVIS COUNTY, TEXAS
250TH JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER'S SUMMARY STATEMENT OF EXPENSES AND
FINANCIAL REPORT FOR THE PERIOD ENDING AUGUST 31, 2020**

COMES NOW, Resolution Oversight Corporation, Special Deputy Receiver under contract to the Permanent Receiver of the Grand Court Order of Calanthe, pursuant to Tex. Ins. Code §§443.015(g) and 443.016(a), and presents to this Court its *Summary Statement of Expenses and Financial Report for the Period Ending August 31, 2020* for the Grand Court Order of Calanthe.

Attached is the Summary Statement of Expenses for the quarter ending August 31, 2020. The Statement of Expenses includes the expenses of the Special Deputy Receiver, its approved sub-contractors, and an allocation of the expenses of the Texas Department of Insurance Rehabilitation & Liquidation Oversight. Also attached is the Financial Report for the quarter ending August 31, 2020.

Respectfully submitted,

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By: /s/ Rachel J. Stroud
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Attorneys the Special Deputy Receiver

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served on all interested parties in accordance with the Texas Rules of Civil Procedure and Tex. Ins. Code § 443.007(d) this 15th day of September, 2020.

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/s/ Rachel J. Stroud
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GRAND COURT ORDER OF CALANTHE IN RECEIVERSHIP
Statement of Expenses

For the Quarter Ending
8/31/20

	Jun	Jul	Aug	Total Quarter
SDR				
Resolution Oversight Corporation				
SDR	\$4,301.00	\$6,647.00	\$3,298.00	\$14,246.00
Estate Accountant	4,700.00	5,300.00	1,440.00	11,440.00
Estate Accountant Travel	0.00	50.00	0.00	50.00
Claims Adjuster	1,096.00	2,584.00	1,504.00	5,184.00
Clerical	3.50	49.00	3.50	56.00
Expenses	25.85	217.26	59.10	302.21
Total SDR Billing	10,126.35	14,847.26	6,304.60	31,278.21
SDR Subcontractors- Legal				
The Stroud Firm, PLLC				
Attorney	2,923.00	1,628.00	351.50	4,902.50
Paralegal	190.00	95.00	47.50	332.50
Expenses	0.00	0.00	0.00	0.00
Total Legal Subcontractors	3,113.00	1,723.00	399.00	5,235.00
SDR Subcontractors- Other				
Emkay Associates				
IT Representative	180.50	180.50	85.50	446.50
Expenses	335.46	44.00	(63.88)	315.58
Total Billing	515.96	224.50	21.62	762.08
Michael C. Warren, CPA				
Tax Accountant	0.00	1,125.00	0.00	1,125.00
Tax return preparation	0.00	6,450.00	0.00	6,450.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	0.00	7,575.00	0.00	7,575.00
Total Other SDR Subcontractors	515.96	7,799.50	21.62	8,337.08
Receivership Service Providers				
Non-Subcontractor Fees & Expenses	850.00	850.00	850.00	2,550.00
Other Expenses	151.50	151.50	689.60	992.60
Bank Fees				
Chase SDR operating account	71.84	61.44	88.07	221.35
Texas Treasury	21.40	20.77	20.76	62.93
Total Receivership Service Providers	1,094.74	1,083.71	1,648.43	3,826.88
Subtotal SDR, Subcontractor & Provider Expenses				
Subtotal SDR, Subcontractor & Provider Expenses	14,850.05	25,453.47	8,373.65	48,677.17
Liquidation Oversight Allocation				
RLO Allocation	0.00	0.00	0.00	0.00
Special Master's Fees	0.00	0.00	60.00	60.00
Total Liquidation Oversight & Special Master Expense	0.00	0.00	60.00	60.00
Total Expenses	\$14,850.05	\$25,453.47	\$8,433.65	\$48,737.17

GRAND COURT ORDER OF CALANTHE IN RECEIVERSHIP
Statement of Net Assets

8/31/20

Line	8/31/20	
Cash		
1	Cash	
	Cash- Unrestricted	360,984
	APF Funds (Loan proceeds)	290,000
Investments		
2	Short-Term Investments	
3	Bonds	0
4	Stocks- Preferred & Common	
5	Investments in Subsidiaries, Controlled or Affiliated Entities	
6	Mortgage Loans	
7	Real Estate	
8	Policy Loans	
9	Other Invested Assets	
Restricted Assets		
10	Statutory Deposits	
11	Funds held by or deposited with Reinsured Companies	
12	Restricted- Other	
Reinsurance Receivables		
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	
15	Reinsurance Recoverables on UEP & Contingent Commissions	
Other Receivables		
16	Salvage & Subrogation Recoveries	
17	Premiums Due from Agents & Policyholders	312
18	Receivable from Parents, Subsidiaries & Affiliates	
19	Receivable from Guaranty Associations- Early Access Payments	
20	Other Receivables	
Other Assets		
21	FF&E	
22	Other Assets	
	EDP equipment	300
Total Assets		651,596

NOTES

Ref No.

3 Net of a 100% valuation allowance.

GRAND COURT ORDER OF CALANTHE IN RECEIVERSHIP
Changes in Net Assets

For the Quarter Ending
8/31/20

Line		Assets at 5/31/20	Assets at 8/31/20	Change
Cash				
1	Cash			
	Cash- Unrestricted	429,600	360,984	(68,616)
	APF Funds (Loan proceeds)	290,000	290,000	0
Investments				
2	Short-Term Investments			0
3	Bonds	0	0	0
4	Stocks- Preferred & Common			0
5	Investments in Subsidiaries, Controlled or Affiliated Entities			0
6	Mortgage Loans			0
7	Real Estate			0
8	Policy Loans			0
9	Other Invested Assets			0
Restricted Assets				
10	Statutory Deposits			0
11	Funds held by or deposited with Reinsured Companies			0
12	Restricted- Other			0
Reinsurance Receivables				
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)			0
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)			0
15	Reinsurance Recoverables on UEP & Contingent Commissions			0
Other Receivables				
16	Salvage & Subrogation Recoveries			0
17	Premiums Due from Agents & Policyholders	178	312	134
18	Receivable from Parents, Subsidiaries & Affiliates			0
19	Receivable from Guaranty Associations- Early Access Payments			0
20	Other Receivables			0
Other Assets				
21	FF&E			0
22	Other Assets			
	EDP equipment	300	300	0
	Total Assets	720,078	651,596	(68,482)

GRAND COURT ORDER OF CALANTHE IN RECEIVERSHIP
Statement of Net Liabilities

8/31/20

Line		8/31/20
1	Secured Claims	
2	APF Loan	290,000
3	Special Deposit Claims	
Administrative Claims- Class 1		
4	Administrative Claims- State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	8,373
	Liquidation Oversight	0
	Special Master's Fees	60
5	Administrative Claims- Guaranty Associations	
	Administrative Expense Paid	
	Administrative Expense Reserves	
6	LAE- Guaranty Associations	
	LAE Paid	
	LAE Reserves	
Policy Claims- Class 2		
7	Loss Claims- Guaranty Associations	
	Loss Claims Paid	
	Loss Claims Reserves	
8	Loss Claims- Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	930,100
9	LAE- Other	
10	Unearned & Advance Premium Claims- GA	
11	Unearned & Advance Premium Claims- Other	
Other Liabilities		
12	Class 3 Claims	
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	
15	Class 5 Reinsurance Related Unsecured Claims	
16	Class 6 Claims	
17	Class 7 Claims	
18	Class 8 Claims	
19	Class 9 Claims	
20	Class 10 Interest	
21	Class 11 Claims	
22	Other Liabilities	
	Total Liabilities	1,228,533
23	Total Equity (Deficit)/ Excess (Deficiency) of Assets over Liabilities	(576,937)
	Total Liabilities & Equity	651,596

NOTES

All amounts recorded based on determined claims unless otherwise specified
 Ref. No.

Determinations have not been made on any of the liabilities reported,
 except lines 2 and 4.

GRAND COURT ORDER OF CALANTHE IN RECEIVERSHIP
Changes in Net Liabilities

For the Quarter Ending
8/31/20

Line		Liabs at 5/31/20	Liabs at 8/31/20	Change
1	Secured Claims			0
2	APF Loan	290,000	290,000	0
3	Special Deposit Claims			0
Administrative Claims- Class 1				
4	Administrative Claims- State/Receiver			
	Special Deputy Receiver, Subcontractors Fees & Expenses	24,380	8,373	(16,007)
	Liquidation Oversight			0
	Special Master's Fees	200	60	(140)
5	Administrative Claims- Guaranty Associations			
	Administrative Expense Paid			0
	Administrative Expense Reserves			0
6	LAE- Guaranty Associations			
	LAE Paid			0
	LAE Reserves			0
Policy Claims- Class 2				
7	Loss Claims- Guaranty Associations			
	Loss Claims Paid			0
	Loss Claims Reserves			0
8	Loss Claims- Other			
	Other Loss Claims Paid			0
	Other Loss Claims Reserves	935,582	930,100	(5,482)
9	LAE- Other			0
10	Unearned & Advance Premium Claims- GA			0
11	Unearned & Advance Premium Claims- Other			0
Other Liabilities				
12	Class 3 Claims			0
13	Class 4 Claims			0
14	Class 5 General Unsecured Creditor Claims			0
15	Class 5 Reinsurance Related Unsecured Claims			0
16	Class 6 Claims			0
17	Class 7 Claims			0
18	Class 8 Claims			0
19	Class 9 Claims			0
20	Class 10 Interest			0
21	Class 11 Claims			0
22	Other Liabilities			0
	Total Liabilities	1,250,162	1,228,533	(21,629)
23	Total Equity (Deficit)/ Excess (Deficiency) of Assets over Liabilities	(530,084)	(576,937)	(46,853)
	Total Liabilities & Equity	720,078	651,596	(68,482)

GRAND COURT ORDER OF CALANTHE IN RECEIVERSHIP
Sources & Uses of Cash

For the Quarter Ending
8/31/20

	Qtr Ending Aug-20
Income	
Premium Receipts	3,739
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	0
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	3,739
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	58
Total Cash Receipts	3,797
Disbursements for Operations	
SDR Fees & Expenses	42,666
Subcontractor Legal Fees & Expenses	5,691
Subcontractor Other Fees & Expenses	12,863
Non-Subcontractor Fees & Expenses	2,550
Other Disbursements	914
RLO Fees & Expenses	200
Total Disbursements for Operations	64,884
Cash Distributions	
Loss Claims & LAE Expense Payments	7,529
Early Access Payments- GA	0
Refunds & Other Distributions	0
Total Cash Distributions	7,529
Total Cash Disbursements & Distributions	72,413
APF Loan Proceeds (Repayment)	0
Net Increase (Decrease) in Cash	(68,616)
Cash at Beginning of Period	719,600
Cash at End of Period	650,984