

THE PIE MUTUAL INSURANCE COMPANY, IN LIQUIDATION
LIQUIDATION DATE MARCH 23, 1998
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
CUMULATIVE FROM MARCH 23, 1998 THROUGH DECEMBER 31, 2005

	Current Period 7/1/2005 TO 12/31/2005	Year to Date 1/1/2005 TO 12/31/2005	CUMULATIVE FROM 3/23/1998
Beginning Cash & Invested Assets (Note 1)	80,586,142.65	129,409,857.98	129,170,292.90
Receipts:			
Interest Income (Note 2)	1,372,878.76	2,185,534.60	47,604,516.42
Dividend Income	0.00	0.00	30,213.48
Gain on Sale of Securities	0.00	0.00	3,546,401.70
Premiums Collected (Note 3)	938.78	938.78	2,239,014.77
Recovery of Loss Paid Prior to Rehabilitation	0.00	0.00	425,000.00
Reinsurance Recoveries (Note 4)	2,730,034.06	2,730,719.20	148,288,317.69
LOC Draw Down - Kansa Insurance	0.00	0.00	51,137.80
Unearned Commissions Collected	0.00	0.00	408,406.33
Tax Refund	0.00	0.00	446,409.26
Refund From Bureau of Workers Compensation	0.00	0.00	50,477.55
Proceeds from Sale of Pledged Assets	0.00	0.00	8,000,000.00
Recovery of Cash Value Life Insurance	0.00	0.00	1,287,078.87
Proceeds from Sale of Assets	0.00	0.00	1,260.51
Proceeds from Liquidation of JUA Trust	0.00	0.00	6,381,210.07
Proceeds from Jacobson, Maynard, & Tuschman Co. L.P.A. Settlement Agreement	0.00	0.00	4,000,000.00
Proceeds from Benesch, Friedlander, Coplan & Arnoff LLP Settlement Agreement	0.00	0.00	8,750,000.00
Proceeds from KPMG Settlement Agreement	0.00	0.00	9,999,999.00
Recovery from Employees and Officers (Note 5)	113,536.00	582,186.53	7,008,923.04
Recovery of Loans & Other Receivables	0.00	902.02	598,074.35
Recovery from Fetal Developmental Evaluation, Ltd.	0.00	0.00	357,029.85
Recovery of Statutory Deposit - NV	0.00	0.00	500,000.00
Recovery of Statutory Deposit - WV	0.00	0.00	200,000.00
Recovery of Statutory Deposit - MS	0.00	0.00	100,000.00
Recovery of Statutory Deposit - MO	0.00	0.00	1,001,410.51
Proceeds from Sale of Furniture & Equipment	0.00	0.00	408,950.40
Recovery on Annuities	0.00	0.00	941,198.08
Recovery of Preference Payments	0.00	4,000.00	2,616,341.27
Recovery of Legal Fees	0.00	0.00	77,080.50
LAE Recovery - Ohio Hospital Insurance Co.	0.00	0.00	135,870.93
Commission Received-The Doctors Co Interim Agreement	0.00	0.00	721,705.00
Proceeds from Settlement with Directors and Officers	0.00	0.00	989,267.00
Proceeds from Settlement with R.K. Carvill & Co., LTD/Creech & Stafford	0.00	1,975,000.00	1,975,000.00
Proceeds from Settlement with Morgan Stanley Dean Witter	0.00	225,000.00	225,000.00
Recovery of Political Contributions	0.00	0.00	132,950.00
Other Income (Note 6)	16,962.30	32,481.11	330,910.70
Total Receipts	4,234,349.90	7,736,762.24	259,829,155.08

Disbursements:			
Noonian Settlement			400,000.00
Cologne Re Commutation Agreement - Letter of Credit Fees			580,582.00
Compensation:			
Salaries (Note 7)	185,852.46	341,172.45	3,933,168.88
Employee Benefits (Note 8)	41,799.05	97,617.10	556,292.97
Payroll and Other Taxes (Note 9)	14,434.54	30,204.17	351,672.70
Professional Fees:			
Legal Fees (Note 10)	97,623.55	281,937.98	10,087,415.38
Tax Preparation and Audit Fees	11,570.55	15,712.65	144,853.86
Consulting Fees and Other Outside Contracts (Note 11)	47,001.30	111,966.19	3,882,545.33
Directors & Officers Due Diligence	0.00	0.00	235,322.56
Ohio Department of Insurance - Examiner Fees	0.00	0.00	361,702.90
Other Expenses of Administration of Company and its Property:			
Direct Loss Adjustment Expenses	0.00	0.00	490,801.13
Rent and Rent Items (Note 12)	109,200.79	217,692.42	2,006,143.55
Equipment Expenses (Note 13)	3,989.37	8,283.23	107,159.06
Travel and Travel Items (Note 14)	3,212.46	6,126.92	148,855.22
Postage, Freight and Telephone (Note 15)	25,962.20	52,292.17	305,868.41
Office Supply Expense (Note 16)	2,285.49	4,686.24	63,505.68
Data Processing (Note 17)	2,894.69	10,738.26	54,191.64
Investment Expense	102.50	235.00	460,623.25
Other Expenses (Note 18)	31,130.00	45,046.77	1,135,587.06
All Other Disbursements:			
Settlement with A. Spath, L. Stephens, Thomas McManamon & Todd McManamon	0.00	0.00	150,000.00
Premium Collection Payment to PA Cat Fund	0.00	0.00	149,461.75
JUA L.O.C. Drawdown and NCB Fees	0.00	0.00	6,307,116.77
Employee W/holdings - United Way/401K Loan Payment	0.00	0.00	935.51
L.O.C. Drawdown to Collateral Account	0.00	0.00	5,145.14
HKM Direct Market Communications - Return of Preference Payment	0.00	0.00	97,849.87
Interim Distribution to Insurance Guarantee Associations	0.00	51,774,228.82	297,840,094.10
Payment to JMT - Refund for Furniture & Fixtures	0.00	0.00	25,993.15
Settlement with J. Boedeker, B. Walsh, B. Pignotti, Kaufman & Cumberland Co., L.P.A.	0.00	0.00	85,000.00
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Total Disbursements	577,058.95	52,997,940.37	329,967,887.87
Encumbered Cash Accounts (Note 19)	5,195.05	5,195.05	5,195.05
Recovery from Affiliates	0.00	0.00	25,795,582.93
Recovery of Statutory Deposit (US Trea. Note) OH	0.00	0.00	2,499,266.00
Security Amortization for the Period	177,905.00	272,658.75	(2,905,070.44)
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Ending Cash & Invested Assets (Note 1)	84,426,533.65	84,426,533.65	84,426,533.65
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See Schedule A for Analysis of Increase in Cash and Invested Assets (Unencumbered)

PIE MUTUAL INSURANCE COMPANY, IN LIQUIDATION
LIQUIDATION DATE MARCH 23, 1998
ANALYSIS OF INCREASE IN CASH AND INVESTED ASSETS (UNENCUMBERED)
FOR THE PERIOD JULY 1, 2005 THROUGH DECEMBER 31, 2005

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 06/30/05	<u>80,586,142.65</u>
Increase in Cash and Invested Assets (Unencumbered)	3,835,195.95
Increase in Cash (Encumbered)	5,195.05
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/05	<u><u>84,426,533.65</u></u>

THE PIE MUTUAL INSURANCE COMPANY, IN LIQUIDATION
LIQUIDATION DATE MARCH 23, 1998
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JULY 1, 2005 THROUGH DECEMBER 31, 2005

Note 1	Beginning Balance 06/30/05	Ending Balance 12/31/05
<u>Cash and Invested Assets</u>		
Unencumbered Cash & Invested Assets		
Cash	17,986.02	7,338.60
Repurchase Agreements	5,085,000.00	58,752,000.00
U.S. Government Obligations	75,483,156.63	25,662,000.00
	<u>80,586,142.65</u>	<u>84,421,338.60</u>
Total Unencumbered Cash & Invested Assets		
	<u>0.00</u>	<u>5,195.05</u>
Encumbered Cash Accounts		
Total Cash & Invested Assets (Note 1)	80,586,142.65	84,426,533.65
Encumbered Non Cash Assets		
Funds Held/ Deposited with Reinsurers	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Total Encumbered Non Cash Assets		
	<u>0.00</u>	<u>0.00</u>
Total Cash and Invested Assets and Non Cash Assets	80,586,142.65	84,426,533.65
Note 2	<u>Interest Income</u>	
Interest on Bonds	734,938.37	
Interest on Repurchase Agreements	637,940.39	
	<u>1,372,878.76</u>	
Note 3	<u>Premiums Collected</u>	
Accounts Receivable Premiums	938.78	
	<u>938.78</u>	
Note 4	<u>Reinsurance Recoveries</u>	
Lloyd's (Reinsurer)/ Equitas Limited (Retrocessionaire) - Commutation Agreement	2,730,034.06	
	<u>2,730,034.06</u>	
Note 5	<u>Recovery from Employees and Officers</u>	
James Marietta	5,000.00	
Andrew Buckner	8,750.00	
Larry Griffin	98,000.00	
Larry Rogers - Criminal Restitution Per Court Order	1,786.00	
	<u>113,536.00</u>	
Note 6	<u>Other Income</u>	
Production of Document Income - James Marietta	1,250.00	
Equipment Income	15,526.97	
General Electric Capital - Class Action Settlement	1.64	
Witness Fee Reimbursement - James Marietta	183.69	
	<u>16,962.30</u>	
Note 7	<u>Salaries</u>	
Chief Deputy Liquidator	11,364.56	
Deputy Liquidators	24,381.43	
Liquidation Employee Salaries	150,106.47	
	<u>185,852.46</u>	

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Note 8 Employee Benefits

Salaries 401K Employer Contribution	4,698.79
Employee Insurance Benefits	36,686.54
Employee Relations Other	413.72
	<u>41,799.05</u>

Note 9 Payroll & Other Taxes

Workers Compensation Insurance	1,356.92
State Unemployment Tax	386.72
Federal Unemployment Tax	120.25
FICA	12,570.65
	<u>14,434.54</u>

Note 10 Legal Fees

	Rehabilitation Expenses Paid after Liquidation	Post Liquidation Expenses	Total
<u>Special Counsel</u>			
Calfee, Halter and Griswold	0.00	81,674.59	81,674.59
Graydon Head & Ritchey	0.00	15,691.62	15,691.62
	<u>0.00</u>	<u>97,366.21</u>	<u>97,366.21</u>
<u>Legal Counsel</u>			
	Pre Liquidation Expenses Paid after Liquidation	Post Liquidation Expenses	Total
Kegler Brown Hill & Ritter	0.00	257.34	257.34
	<u>0.00</u>	<u>257.34</u>	<u>257.34</u>
Total Legal Fees	<u>0.00</u>	<u>97,623.55</u>	<u>97,623.55</u>

Note 11 Consulting Fees and Other Outside Contracts

	Pre Liquidation Expenses Paid after Liquidation	Post Liquidation Expenses	Total
Automatic Data Processing	0.00	929.58	929.58
Diane Holewinski - Claims Consultant	0.00	704.52	704.52
James Young - Consultant - Administration	0.00	37.93	37.93
KB Resolutions - Reinsurance Consultant	0.00	2,218.75	2,218.75
Mound Cotton & Wollan - Reinsurance Legal	0.00	10,932.58	10,932.58 (B)
Reinsurance Solutions Int'l - Reinsurance Outsourcing	0.00	65.00	65.00 (B)
Thomas Putinsky - Claims Consultant	0.00	29,446.80	29,446.80
William J. Stout - IT Consultant	0.00	2,666.14	2,666.14
	<u>0.00</u>	<u>47,001.30</u>	<u>47,001.30</u>

(A) Payments made pursuant to Court Order

(B) Payments made pursuant to Court approved contract

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Note 12 Rent & Rent Items

Rent on Leased Properties - Columbus Office Space	33,757.50
Rent on Leased Properties - Columbus PIE Warehouse	52,420.57
Rent - National City Safe Deposit Box	41.74
Utilities - Gas/Electric	10,425.54
Janitorial Service	2,224.49
Furniture & Equipment Rent - Pitney Bowes	139.60
Furniture & Equipment Rent - GE Capital	697.64
Furniture & Equipment Rent - Depreciation	9,493.71
	<u>109,200.79</u>

Note 13 Equipment Expenses

Furniture, Fixtures & Equip Maintenance & Repair - Columbus	3,989.37
	<u>3,989.37</u>

Note 14 Travel & Travel Items

Liquidation Office Employees	3,140.35
Claims Consultant Working at Liquidation Office - & Expenses for Commuting to and from Cleveland.)	72.11
	<u>3,212.46</u>

Note 15 Postage, Freight and Telephone

Liquidation Office Postage	22,839.29
Liquidation Express & Freight	325.55
Liquidation Office Telephone and Fax	2,047.53
Liquidation Internet	749.83
	<u>25,962.20</u>

Note 16 Office Supply Expense

Liquidation Office - Office Supplies	2,285.49
	<u>2,285.49</u>

Note 17 Data Processing

Computer Maintenance	1,287.06
Computer Supplies	1,563.42
Computer Software Lease	44.21
	<u>2,894.69</u>

Note 18 Other Expenses

Furniture & Equipment - Non Capitalized Purchases	555.84
Books & Periodicals	235.06
Registration & Dues	269.58
Training & Seminars	354.47
Professional Liability Insurance	26,226.53
401K Plan Expenses	67.35
Temporary Help - Columbus	1,985.13
Miscellaneous Expense	30.30
Collection Agency Fees - Premiums Collected on Behalf of PIE	(155.00)
Insurance Premium - Building	1,560.74
	<u>31,130.00</u>

Note 19 Encumbered Cash Accounts

Cash Collateral - PIE Hanseatica	5,195.05
	<u>5,195.05</u>