

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, CHANCERY DIVISION

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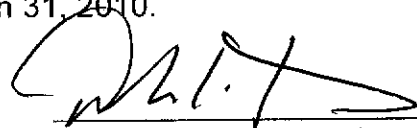
IN THE MATTER OF THE LIQUIDATION OF  
CORONET INSURANCE COMPANY )  
CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
CHANCERY DIV. )  
CLERK  
DOROTHY BOSSON

NO. 96 CH 13422

NOTICE OF FILING

To: See Attached Service List

**YOU ARE HEREBY NOTIFIED** that on June 24, 2010, the Liquidator filed, pursuant to 215 ILCS 5/202(D)(1) (1998), with the Clerk of the Circuit Court of Cook County, Illinois, the attached Liquidator's Statement of Changes in Cash and Invested Assets for the period of January 1, 2010 thru March 31, 2010.



Counsel to the Receiver

Dale A. Coonrod  
Counsel to the Liquidator  
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Attorney Code #16819

**SERVICE LIST**

**CORONET INSURANCE COMPANY**

(No. 96 CH 13422)

**COURTESY COPY TO:**

THE HONORABLE JUDGE NANCY J. ARNOLD  
ROOM 2502  
THE RICHARD J. DALEY CENTER  
50 WEST WASHINGTON STREET  
CHICAGO, ILLINOIS 60602

**CORONET INSURANCE COMPANY**  
**LIQUIDATION DATE DECEMBER 24, 1996**  
**STATEMENT OF CHANGES IN CASH AND INVESTED ASSETS**  
**JANUARY 1 THROUGH MARCH 31, 2010**

	CURRENT PERIOD	YEAR TO DATE
<b>Beginning Cash &amp; Invested Assets</b>	\$ 1,036,721	\$ 1,036,721
<b>Cash Receipts:</b>		
Investment Income (Note 1)	\$ 6,870	\$ 6,870
Salvage and Subrogation	635	635
Settlements (Note 2)	2,250,000	2,250,000
Release of Escrow Funds (Note 3)	125,491	125,491
Release of Statutory Deposit	395	395
<b>Total Cash Receipts</b>	<u>\$ 2,383,391</u>	<u>\$ 2,383,391</u>
<b>Cash Disbursements:</b>		
Salaries	\$ 59,996	\$ 59,996
Professional Fees:		
Legal Fees & Expenses (Note 4)	(6,606)	(6,606)
Audit Fees (Note 5)	542	542
Consulting Fees (Note 6)	10,807	10,807
Compensation:		
Employee Benefits	19,221	19,221
Payroll and Other Taxes	8,214	8,214
Other Expenses of Administration of Company and its Property:		
Rent and Rent Items	29,821	29,821
Travel and Travel Items	100	100
Postage and Freight	12,566	12,566
Office Expenses	1,735	1,735
Data Processing	998	998
Investment Expenses	114	114
Settlements (Note 7)	570,462	570,462
Other Expenses	2,380	2,380
<b>Total Cash Disbursements</b>	<u>\$ 710,350</u>	<u>\$ 710,350</u>
<b>Ending Cash &amp; Invested Assets</b>	<u>\$ 2,709,762</u>	<u>\$ 2,709,762</u>

**CORONET INSURANCE COMPANY**  
**LIQUIDATION DATE DECEMBER 24, 1996**  
**NOTES TO STATEMENT OF CHANGES IN CASH AND INVESTED ASSETS**  
**JANUARY 1 THROUGH MARCH 31, 2010**

**1. Investment Income**

Investment Income includes \$8,216 income and an amortization adjustment of (\$1,346) for a net of \$6,870. The line item does not include \$2,053 accrued interest earned but not paid as of March 31, 2010.

**2. Settlements**

This represents the gross proceeds received from a settlement of the Liquidator's claims against BDO Seidman, LLP for damages arising from BDO Seidman's alleged breach of contract and professional negligence in the performance of its public accounting and auditing services during the period of 1993 through 1996. A portion of these funds were disbursed to Coronet's subsidiaries, National Assurance Indemnity Company and Crown Casualty Company (see Note 7 below).

**3. Release of Escrow Funds**

This represents a transfer of escrow funds from Bank Of America Collateral A/C #8600719481 to Coronet's general assets.

**4. Legal Fees & Expenses**

Robinson Curley & Clayton P.C.	\$	4,858
Thompson Coburn Fagel Haber		233
Crosby & Gladner P.C.		100
Law Office of James M. O'Dea		67
Kreiner & Peters Co. LPA		33
Neal, Gerber & Eisenberg LLP		(11,897)
<b>Total Legal Fees &amp; Expenses</b>	<u>\$</u>	<u>(6,606)</u>

**5. Audit Fees**

Kerber, Eck & Braeckel LLP	\$	542
<b>Total Audit Fees</b>	<u>\$</u>	<u>542</u>

**6. Consulting Fees**

The Revere Group LTD	\$	10,807
<b>Total Consulting Fees</b>	<u>\$</u>	<u>10,807</u>

**7. Settlements**

This represents net funds paid to National Assurance Indemnity Company for \$386,442 and Crown Casualty Company totaling \$184,020 for their share of the BDO Seidman, LLP settlement, less the associated costs and the costs of other litigation recovery efforts.

**CORONET INSURANCE COMPANY**  
**LIQUIDATION DATE DECEMBER 24, 1996**  
**STATEMENT OF CASH AND INVESTED ASSETS**  
**MARCH 31, 2010**

	<b>Market Value</b>	<b>Book Value</b>
<b>Unencumbered Cash and Invested Assets</b>		
Cash	\$ 12,829	\$ 12,829
Money Market Funds	2,189,663	2,189,663
U.S. Government Obligations	528,149	507,270
<b>Total Unencumbered Cash and Invested Assets</b>	<u>\$ 2,730,641</u>	<u>\$ 2,709,762</u>
 <b>Encumbered Cash and Invested Assets</b>		
Escrow Accounts (1)		\$ 501,218
<b>Total Encumbered Cash and Invested Assets</b>		<u>\$ 501,218</u>
<b>Total Cash and Invested Assets</b>		<u>\$ 3,210,980</u>
 <b>1. Escrow cash and investments:</b>		
Bank of America Account #060032216		\$ 501,218
Funds represent monies held for the benefit of Florida claimants.		
<b>Total</b>		<u>\$ 501,218</u>