

Exhibit “A”

**INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA
CONSERVATION & LIQUIDATION OFFICE**

**FINANCIAL STATEMENTS OF
MISSION INSURANCE COMPANY - ESTATE IN LIQUIDATION
As of December 31, 2006**

(Prepared on a Liquidation Basis of Accounting)

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Date of Conservation: 10/31/1985
Date of Liquidation: 2/24/1987
Date of Report: 12/31/2006

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA
CONSERVATION & LIQUIDATION OFFICE

MISSION INSURANCE COMPANY - ESTATE IN LIQUIDATION

STATEMENT OF ASSETS AND LIABILITIES

As of December 31, 2006

(Liquidation Basis of Accounting)

ASSETS

	As of		
	12/31/06	12/31/97	Change
Cash and cash equivalents:			
Unrestricted	\$ 3,332,496	\$ 217,610	\$ 3,114,886
Restricted	540,444	16,455,223	(15,914,779)
Participation in pooled investments, at market			
Unrestricted	72,605,746	480,851,923	(408,246,177)
Non-pooled investments, at market:			
Short-term investments	58,575,198	-	58,575,198
Common stock	11,159,200	-	11,159,200
Accrued investment income	393,435	-	393,435
Statutory deposits held by other states	-	16,677,901	(16,677,901)
Recoverable from reinsurers	11,174,125	63,758,552	(52,584,427)
Receivable from Affiliates	56,492,369	91,265,656	(34,773,287)
Receivable from Oregon State	10,931,850	-	10,931,850
Other assets	-	256,437	(256,437)
Total assets	225,204,863	669,483,302	(444,278,439)

LIABILITIES

Secured claims	4,716,743	-	4,716,743
Administrative expenses (Class 1)	84,270	-	84,270
Federal Income Taxes payable (Class 1)	77,580,230	-	77,580,230
California claims having preference (Class 3)	111,132	-	111,132
Distributions (Class 3)	(111,132)	-	(111,132)
Claims against policies, including guarantee associations (Class 5)	839,120,324	784,277,837	54,842,487
Distributions (Class 5)	(838,078,123)	-	(838,078,123)
All other claims (Class 6)	464,102,766	1,024,261,559	(560,158,793)
Distributions (Class 6)	(142,494,530)	-	(142,494,530)
Total liabilities	405,031,680	1,808,539,396	(1,403,507,716)
Net excess (deficiency) in assets	\$ (179,826,817)	\$(1,139,056,094)	\$ 959,229,277

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA
CONSERVATION & LIQUIDATION OFFICE

MISSION INSURANCE COMPANY - ESTATE IN LIQUIDATION

STATEMENT OF REVENUES AND EXPENSES

January 01, 1998 through December 31, 2006

(Liquidation Basis of Accounting)

	Year to date 12/31/06	01/01/98 to 12/31/06
Revenues:		
Premium income, net of adjustments to unearned premium reserves	\$ -	\$ 2,988
Income from settlement of litigation	-	2,545,259
Salvage and subrogation recoveries	139,129	41,229
Net investment income	12,744,164	221,369,183
Fees collected	120	138,432
Other income	131,149	462,767
Total revenues	13,014,562	224,559,857
Expenses:		
Claims expenses:		
Incurred losses and loss adjustment expenses	(1,959,186)	(864,379,998)
Bad dept Expense	(6,902,361)	(32,244,482)
Total claims expense (reserve reductions)	(8,861,547)	(896,624,480)
Operating expenses:		
General and administrative expenses	239,543	15,906,960
Professional fees	87,794	5,137,373
Legal fees	144,254	3,176,736
Depreciation & amortization expense	1,242	133,346
Allocated expenses	672,615	5,584,785
Total Operating expenses	1,145,448	29,939,201
Other expenses	103,643	(8,917,894)
Total expenses	(7,612,456)	(875,603,173)
Excess of revenue and reserve reductions over operating expenses before federal income taxes	20,627,018	1,100,163,031
Federal income tax provision (benefit)	(2,419,770)	140,933,754
Excess (deficiency) of revenue and reserve reductions over operating expenses	\$ 23,046,788	\$ 959,229,277

**INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA
CONSERVATION & LIQUIDATION OFFICE**

**FINANCIAL STATEMENTS OF
MISSION NATIONAL INSURANCE COMPANY – ESTATE IN LIQUIDATION
As of December 31, 2006**

(Prepared on a Liquidation Basis of Accounting)

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Date of Conservation: 10/31/1985
Date of Liquidation: 2/24/1987
Date of Report: **12/31/2006**

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA
CONSERVATION & LIQUIDATION OFFICE

MISSION NATIONAL INSURANCE COMPANY - ESTATE IN LIQUIDATION

STATEMENT OF ASSETS AND LIABILITIES

As of December 31, 2006

(Liquidation Basis of Accounting)

ASSETS

	As of		
	12/31/06	12/31/97	Change
Cash and cash equivalents:			
Unrestricted	\$ 3,808,622	\$ 102,520	\$ 3,706,102
Participation in pooled investments, at market:			
Unrestricted	-	232,119,932	(232,119,932)
Non-pooled investments, at market:			
Short-term investments	57,927,682	-	57,927,682
Common stock	3,803,395	-	3,803,395
Statutory deposits held by other states	-	1,947,958	(1,947,958)
Recoverable from reinsurers	1,087,326	13,739,903	(12,652,577)
Receivable from Affiliates	-	(23,054,953)	23,054,953
Receivable from New York State	828,417	-	828,417
Accrued Interest & Div Receivables	103	-	103
Other Receivables	208,811	-	208,811
Total assets	67,664,356	224,855,360	(157,191,004)

LIABILITIES

Secured claims	3,021,006	-	3,021,006
Administrative expenses (Class 1)	1,959	-	1,959
Federal Income Taxes (Class 1)	15,866,986	-	15,866,986
Claims against policies, including guarantee associations (Class 5)	399,172,332	354,972,480	44,199,852
Distribution (Class 5)	(401,008,408)	-	(401,008,408)
All other claims (Class 6)	3,021,006	14,177,008	(11,156,002)
Distribution (Class 6)	(26,511,520)	-	(26,511,520)
Total liabilities	(6,436,639)	369,149,488	(375,586,127)
Net excess (deficiency) in assets	\$ 50,883,223	\$ (144,294,128)	\$ 195,177,351

INSURANCE COMMISSIONER OF CALIFORNIA
CONSERVATION & LIQUIDATION OFFICE

MISSION NATIONAL INSURANCE COMPANY - ESTATE IN LIQUIDATION

January 01, 1998 through December 31, 2006

(Liquidation Basis of Accounting)

	Year to date 12/31/06	01/01/98 to 12/31/06
Revenues:		
Change in reinsurance recoveries	\$ -	\$ (1,400,365)
Salvage and subrogation recoveries	501	94,365
Net investment income	4,326,752	62,801,828
Other income	38,471	98,977
Total revenues	4,365,724	61,594,805
Expenses:		
Claims expenses:		
Incurred losses and loss adjustment expenses	(16,299,598)	(148,405,258)
Bad Debt Expense	(13,294,612)	15,371,685
Reinsurance payments	(189,666)	(20,866,851)
Total claims expense (reserve reductions)	(29,783,876)	(153,900,424)
Operating expenses:		
General and administrative expenses	14,670	1,207,535
Professional fees	31,956	997,305
Legal fees	41,543	249,294
Depreciation & amortization expense	489	489
Allocated expenses	231,733	5,258,490
Total Operating expenses	320,391	7,713,112
Other expenses	32	(7,838,015)
Total expenses	(29,463,453)	(154,025,328)
Excess of revenue and reserve reductions over operating expenses before federal income taxes	33,829,177	215,620,132
Federal income tax provision benefit	15,866,986	20,442,781
Excess of revenue (deficiency) and reserve reductions over operating expenses	\$ 17,962,191	\$ 195,177,351

**INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA
CONSERVATION & LIQUIDATION OFFICE**

**FINANCIAL STATEMENTS OF
ENTERPRISE INSURANCE COMPANY - ESTATE IN LIQUIDATION**

As of December 31, 2006

(Prepared on a Liquidation Basis of Accounting)

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Statement of Revenues and Expenses Page 2

Date of Conservation: 11/26/1985
Date of Liquidation: 2/24/1987
Date of Report: 12/31/2006

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA
CONSERVATION & LIQUIDATION OFFICE

ENTERPRISE INSURANCE COMPANY - ESTATE IN LIQUIDATION

STATEMENT OF ASSETS AND LIABILITIES
As of December 31, 2006

(Liquidation Basis of Accounting)

	<u>12/31/06</u>	<u>01/01/98</u>	<u>Change</u>
ASSETS			
Cash and cash equivalents:			
Unrestricted	\$ -	\$ 29,771,772	\$ (29,771,772)
Participation in pooled investments, at market:			
Unrestricted	796,805	-	796,805
Non-pooled investments, at market:			
Short-term investments	975,057	-	975,057
Accrued investment income	25,611	-	25,611
Recoverable from reinsurers	-	299,581	(299,581)
Receivable from Affiliates	-	40,108,050	(40,108,050)
Other Receivables	6,470	848,164	(841,694)
Total assets	1,803,943	71,027,567	(69,223,624)
LIABILITIES			
Secured claims			
Administrative expenses (Class 1)	333	341,083	(340,750)
Federal Income Taxes (Class 1)	579,326		579,326
Claims against policies, including guarantee associations (Class 5)	120,573,113	75,391,507	45,181,606
Advances to Guarantee Associations (Class 5)	(120,585,886)	-	(120,585,886)
Premium Tax claims having preference (Class 3)	39,680	-	39,680
Distribution (Class 3)	(39,680)	-	(39,680)
All other Claims (Class 6)	36,043,708	18,008,695	18,035,013
Distribution (Class 6)	(5,556)	-	(5,556)
Total liabilities	36,605,038	93,741,285	(57,136,247)
Net excess (deficiency) in assets	\$ (34,801,095)	\$ (22,713,718)	\$ (12,087,377)

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA
CONSERVATION & LIQUIDATION OFFICE

ENTERPRISE INSURANCE COMPANY - ESTATE IN LIQUIDATION

STATEMENT OF REVENUES AND EXPENSES

January 01, 1998 through December 31, 2006

(Liquidation Basis of Accounting)

	Year to date 12/31/06	01/01/98 to 12/31/06
Revenues:		
Income from settlement of litigation	\$ -	\$ 205,000
Salvage and subrogation recoveries	-	7,402
Net investment income	932,569	41,334,864
Other income	-	884,980
Total revenues	932,569	42,432,246
Expenses:		
Claims expenses:		
Incurred losses and loss adjustment expenses	51,252	67,217,285
Bad Debt Expense	-	(15,099,365)
Total claims expense	51,252	52,117,919
 General and administrative expenses	 632	 6,446
Professional fees	11,260	425,016
Legal fees	8,029	28,592
Revaluation of assets net of gains/(losses) on sales	-	(302,198)
Allocated expenses	89,904	1,487,281
Investment expense	4,006	107,800
Total operating expenses	113,831	1,752,937
 Other expenses	 (1,098)	 (23,688)
Total expenses	163,985	53,847,169
 Excess (deficiency) of revenue over expenses before federal income taxes	 768,584	 (11,414,923)
 Cumulative Federal income tax expense	 -	 672,454
 Excess (deficiency) of revenue over expenses	 \$768,584	 (\$12,087,377)

PROOF OF SERVICE: By U.S. Mail
(Code Civ. Proc., §§ 1013, 2015.5)

STATE OF TEXAS, COUNTY OF DALLAS.

I am employed in the County of Dallas, State of Texas. I am over the age of 18 and not a party to the within action; my business address is 625 West Centerville Road, Suite 110, Garland, Texas 75041.

On this date, I served the foregoing document described as **INSURANCE COMMISSIONER'S STATUS REPORT (WITH INPUT FROM COVANTA HOLDING CORPORATION)** by placing a copy thereof enclosed in sealed envelopes addressed as follows:

Sent via U.S. Mail to:


See Attached Exhibit "A"

I am readily familiar with my employer's practices of collection and processing correspondence for mailing with the U.S. Postal Service and the above-referenced correspondence will be deposited with the U.S. Postal Service on the same date as stated below, following the ordinary course of business.

X (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

___ (Federal) I declare that I am employed by the office of a member of the bar of this court at whose direction the service was made.

Executed on March 30, 2007 at Garland, Texas.


Vicki Shelton

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