MINEHAN EXHIBIT "A-1"

FINANCIAL STATEMENTS OF MISSION NATIONAL INSURANCE COMPANY - ESTATE IN LIQUIDATION As of September 30, 2005

(Prepared on a Liquidation Basis of Accounting)

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Note: These unaudited financial statements should be read in conjunction with the Report on Audits of Combined Financial Statements of Estates in Conservation, with opinion by independent public accountants.

Date of Conservation: 10/31/1985 Date of Liquidation: 2/24/1987 **Date of Report: 9/30/2005**

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA CONSERVATION & LIQUIDATION OFFICE

MISSION NATIONAL INSURANCE COMPANY - ESTATE IN LIQUIDATION

STATEMENT OF ASSETS AND LIABILITIES

(Liquidation Basis of Accounting)

ASSETS

		As o	f		
		09/30/05	5	12/31/97	Change
Cash and cash equivalents:					<u> </u>
Unrestricted	_				
Restricted	\$	134,330,963	\$	102,520	\$ 134,228,443
Participation in pooled investments, at market:		4,974		0	4,974
Unrestricted					
Non-pooled investments, at market:		0		232,119,932	(232,119,932)
Short-term investments		0		0	0
Common stock		12,608,677		0	12,608,677
Statutory deposits held by other states		1,311,183		0	1,311,183
Recoverable from reinsurers		1,401,077		1,947,958	(546,881)
Salvage & subrogation recoveries		1,584,318		13,739,903	(12,155,585)
Receivable from Affiliates		612,647		0	612,647
Other Receivables		8,000,000		(23,054,953)	31,054,953
		103,916		0	103,916
Property and equipment (net of accumulated depreciation)		714		0	714
Total assets	***************************************	159,958,469		224,855,360	(64,896,891)
LIABILITIES					
Secured claims					
Administrative expenses (Class 1)		2,473		0	2,473
Claims against policies, including guarantee		223,712		0	223,712
associations (Class 5)					•
Federal claims having preference (Class 3)		96,536,063		354,972,480	(258,436,417)
All other claims (Class 6)		5,500,000		0	5,500,000
(26,237,402		14,177,008	12,060,394
Total liabilities		128,499,650		369,149,488	 (240,649,838)
Net excess (deficiency) in assets	_\$	31,458,818	\$	(144,294,128)	\$ 175,752,946

INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA ONSERVATION & LIQUIDATION FICE

MISSION NATIONAL INSURANCE COMPANY - ESTATE IN LIQUIDATION

STATEMENT OF REVENUES AND EXPENSES

(Liquidation Basis of Accounting)

Change in reinsurance recoveries \$ (1,400,365,38) Salvage and subrogation recoveries 13,633 93,864 Net investment income 5,191,125 60,404,125 Other income 5,204,758 59,158,017 Total revenues 5,204,758 59,158,017 Expenses: Claims expenses: (56,724,056) (138,909,584) Incurred losses and loss adjustment expenses Note (A) (56,724,056) (159,586,769) Reinsurance payments 0 (20,677,185) Total claims expense (reserve reductions) (56,724,056) (159,586,769) Operating expenses: 65,845 1,201,733 General and administrative expenses 65,845 1,201,733 Professional fees 29,978 930,746 Legal fees 29,978 930,746 Depreciation & amortization expense 1,623 1,623 Allocated expenses 257,324 4,952,917 Change in allowance for uncollectible balances 33,795,887 28,666,297 Total Operating expenses (22,506,124) (123,670,724) Excess of revenue and rese			Year to date 09/30/05	01/01/98 to 09/30/05	
Salvage and subrogation recoveries 1,400,365,38 39,864 Net investment income 13,633 93,864 Net investment income 5,191,125 60,404,104,104,104,104,104,104,104,104,10	Revenues:				•
Expenses: Claims expenses: Incurred losses and loss adjustment expenses Note (A) (56,724,056) (138,909,584) (Salvage and subrogation recoveries Net investment income Other income	\$	5,191,125	93,864 60,404,125	
Expenses: Claims expenses: Incurred losses and loss adjustment expenses Note (A) (56,724,056) (138,909,584) (Reinsurance payments 0 (20,677,185) Total claims expense (reserve reductions) (56,724,056) (159,586,769) Operating expenses: General and administrative expenses Professional fees 29,978 930,746 Legal fees 29,978 930,746 Legal fees 29,978 930,746 Legal fees 29,978 930,746 Legal fees 257,324 4,952,917 Change in allowance for uncollectible balances 33,795,887 28,666,297 Total Operating expenses 34,217,932 35,916,045 Total expenses (22,506,124) (123,670,724) Excess of revenue and reserve reductions over operating expenses before federal income taxes 27,710,882 182,828,741 Excess (detriciency) of revenue and reserve reductions over operating expenses 2,500,000 7,075,795 Excess (detriciency) of revenue and reserve reductions over operating expenses 2,500,000 7,075,795 Excess (detriciency) of revenue and reserve reductions over operating expenses 2,500,000 7,075,795 Excess (detriciency) of revenue and reserve reductions over operating expenses 2,500,000 7,075,795 Excess (detriciency) of revenue and reserve reductions over operating expenses 2,500,000 7,075,795	rotal revenues		5,204,758		
Total claims expense (reserve reductions) 0 (20,677,185) (159,586,769) Operating expenses: (159,586,769) General and administrative expenses 65,845 (1,201,733) Professional fees 29,978 (1,201,733) Legal fees 29,978 (1,201,733) Depreciation & amortization expense 67,275 (162,729) Allocated expenses 1,623 (1,623) Change in allowance for uncollectible balances 257,324 (4,952,917) Total Operating expenses 33,795,887 (28,666,297) Total expenses (22,506,124) (123,670,724) Excess of revenue and reserve reductions over operating expenses before federal income taxes 27,710,882 (182,828,741) Federal income tax provision (benefit) 2,500,000 (7,075,795) Excess (deticiency) of revenue and reserve reductions over operating expenses 2,500,000 (7,075,795)	Claims expenses: Incurred losses and loss adjustment expenses. Note (A)				(A
Operating expenses: General and administrative expenses Professional fees Legal fees Depreciation & amortization expense Allocated expenses Change in allowance for uncollectible balances Total Operating expenses Total expenses Excess of revenue and reserve reductions over operating expenses before federal income tax provision (benefit) Excess (deticiency) of revenue and reserve reductions over operating expenses Excess (deticiency) of revenue and reserve reductions over operating expenses Excess (deticiency) of revenue and reserve reductions over operating expenses Excess (deticiency) of revenue and reserve reductions over operating expenses Excess (deticiency) of revenue and reserve reductions over operating expenses		•		(20,677,185)	
Total expenses Excess of revenue and reserve reductions over operating expenses before federal income taxes Excess (detriciency) of revenue and reserve reductions over operating expenses Excess (detriciency) of revenue and reserve reductions over operating expenses Excess (detriciency) of revenue and reserve reductions over operating expenses	Operating expenses: General and administrative expenses Professional fees Legal fees Depreciation & amortization expense Allocated expenses Change in allowance for uncollectible balances		65,845 29,978 67,275 1,623 257,324	1,201,733 930,746 162,729 1,623 4,952,917	
Total expenses Excess of revenue and reserve reductions over operating expenses before federal income taxes Pederal income tax provision (benefit) Excess (deticiency) of revenue and reserve reductions over operating expenses Excess (deticiency) of revenue and reserve reductions over operating expenses	Total Operating expenses		34 217 932	35 946 045	
Federal income tax provision (benefit) Excess (deticiency) of revenue and reserve reductions over operating expenses	Total expenses		, ,	•	
Excess (deticiency) of revenue and reserve reductions over operating expenses	before rederal income taxes	5	27,710,882	182,828,741	
Excess (deticiency) of revenue and reserve reductions over operating expenses	Federal income tax provision (benefit)		2.500.000	7 075 795	
<u> </u>	Excess (deticiency) of revenue and reserve reductions over operating expenses	\$	05.040.000		

(A) Reflects reserve reductions as a result of final settlement of claims

INSURANCE COMMISSIONER OF CALIFORNIA

CONSERVATION & IIQUIDATION OFFICE MISSION NATIONAL INSURANCE COMPANY - ESTATE IN LIQUIDATION

STATEMENT OF REVENUES AND EXPENSES

(Liquidation Basis of Accounting)

09/30/05	01/01/98 to	
2005	9 Months	
2004		(Pumpoon of the pumpound)
2003		•
2002	Years En	
2001	Years Ended December	
2000	2	
1999		
1998		

	Total claims expense (reserve reductions)	Incurred losses and loss adjustment expenses Reinsurance payments	Expenses: Claims expenses:		Salvage and subrogation recoveries Net investment income Other income Total revenues	Change in reincurance reconsider
(199,966,769) (56,724,056)	(20,6/7,185)	(138,909,584)		59,158,017	\$ (1,400,365) 93,864 60,404,125 60,394	
(56,724,056)	0	(56,724,056)		5,204,758	\$ 13,633 5,191,125 0	
4,976,707	(8,354,472)	13,331,180	,	(36,931,063)	\$ - \$ (36,931,063) 0	
(28.527.086) (703.319)	0	(28.527.086)		7 871 837	7,871,837 0	
(703 210)	0	(703 210)	17,101,100	7871837 14 701 785	\$ (4,180) 14,795,965 0	
074 540 00 171 00	0,4,5	974 540	22,575,000	37 273 00	\$ - 5,150 22,570,533	
	36,171,037	30	19,255,459	39,417	\$ (12,788) 19,208,829	
	(60,640,889)		5,028,408 21,361,151	1/6	\$ (2,348,254) 92,049 7,283,636	
(12,322,713)			21,361,151	0	(2,348,254) \$ 947,889 92,049 0 7,283,636 20,413,263	

Operating expenses:
General and administrative expenses
Professional fees

Legal fees

Depreciation & amortization expense
Allocated expenses
Change in allowance for uncollectible balances

Total Operating expenses

Total expenses

Revenues:

1		1	.			
(120,010,124)	(123 670 754)	22,010,000	930,746 162,729 1,623 4,952,917 28,666,297	1,201,733	(159,586,769)	(138,909,584) (20,677,185)
(22,506,124)	199 500 10 11	700,112,40	29,978 67,275 1,623 257,324 33,795,887	65 845	(56 724 056)	(56,724,056) 0
6,021,222		1,044,515	125,636 47,804 0 411,835 286,890	4,970,707	4 976 707	13,331,180
(28,472,004)		55,082	152,325 72,764 30,367 0 407,256 (607,629)	(28,527,086)		(28,527,086)
803,655		1,506,873	122,693 78,773 11,126 0 356,489 937,792	(703,219)	0	(703,219)
4,124,052 37,914,209	3, 10,012	3.149.512	163,780 157,674 6,158 0 328,830 2,493,071	974,540	0	974,540
37,914,209	211,041,1	1 743 175	144,197 212,216 0 0 242,766 1,143,993	36,171,037	0	36,171,037
(69,450,257)	(0,009,368)	(000 000	182,604 252,895 0 0 974,816 (10,219,683)	(60,640,889)	0	(60,640,889)
(52,105,476)	3,008,328	1	197,939 811 0 0 0 1,973,601 835,977			(42.791.091)

\$ 175,752,946 \$ 25,210,882 \$ (43,859,168) \$ 35,343,841 \$ 13,331,497 \$ 17,951,229 \$(18,982,259) \$ 74,744,752 \$ 72,042,573	661'610'1	182,828,741 27,710,882
25,210,882 \$	7,073,785 2,500,000	27,710,882
(43,859,168) \$	906,883	(42,952,285)
35,343,841	1,000,000	36,343,841 13,988,130 18,451,631 (18,658,750) 74,478,664 73,466,628
\$ 13,331,497	656,633	13,988,130
\$ 17,951,229	500,402	18,451,631
\$(18,982.259)	323,509	(18,658,750)
\$ 74.744 252	(265,588)	74,478,664
£ 72 042 672	333 500,402 323,509 (265,588) 1,453,956	73,466,628

Federal income tax provision benefit

Excess of revenue and reserve reductions over operating expenses before federal income taxes

Excess of revenue (deficiency) and reserve reductions over operating expenses

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