

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)

INDEX

Statement of Assets and Liabilities	Page 1
Statement of Revenues and Expenses Summary	Page 2
Statement of Revenues and Expenses Detail	Page 3

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 of		
	09/30/05	12/31/97	Change
Cash and cash equivalents:			
Unrestricted	\$ 134,330,963	\$ 102,520	\$ 134,228,443
Restricted	4,974	0	4,974
Participation in pooled investments, at market:			
Unrestricted	0	232,119,932	(232,119,932)
Non-pooled investments, at market:			
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
Property and equipment (net of accumulated depreciation)	103,916	0	103,916
	714	0	714
Total assets	159,958,469	224,855,360	(64,896,891)

LIABILITIES

Secured claims	2,473	0	2,473
Administrative expenses (Class 1)	223,712	0	223,712
Claims against policies, including guarantee associations (Class 5)	96,536,063	354,972,480	(258,436,417)
Federal claims having preference (Class 3)	5,500,000	0	5,500,000
All other claims (Class 6)	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
 CONSERVATION & LIQUIDATION OFFICE

MISSION NATIONAL INSURANCE COMPANY - ESTATE IN LIQUIDATION

STATEMENT OF REVENUES AND EXPENSES

(Liquidation Basis of Accounting)

	Year to date 09/30/05	01/01/98 to 09/30/05
Revenues:		
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	0	60,394
Total revenues	5,204,758	59,158,017
Expenses:		
Claims expenses:		
Incurred losses and loss adjustment expenses Note (A)	(56,724,056)	(138,909,584) (A)
Reinsurance payments	0	(20,677,185)
Total claims expense (reserve reductions)	(56,724,056)	(159,586,769)
Operating expenses:		
General and administrative expenses	65,845	1,201,733
Professional fees	29,978	930,746
Legal fees	67,275	162,729
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	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
Federal income tax provision (benefit)	2,500,000	7,075,795
Excess (deficiency) of revenue and reserve reductions over operating expenses	\$ 25,210,882	\$ 175,752,946

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

INSURANCE COMMISSIONER OF CALIFORNIA
CONSERVATION & LIQUIDATION OFFICE
MISSION NATIONAL INSURANCE COMPANY - ESTATE IN LIQUIDATION

STATEMENT OF REVENUES AND EXPENSES

(Liquidation Basis of Accounting)

	01/01/98 to 09/30/05		9 Months 2005		2004		2003		2002		2001		2000		1999		1998	
Revenues:																		
Change in reinsurance recoveries																		
Salvage and subrogation recoveries																		
Net investment income																		
Other income																		
Total revenues	\$	(1,400,365)	\$	13,633	\$	-	\$	-	\$	(4,180)	\$	5,150	\$	(12,788)	\$	92,049	\$	947,889
		93,864		5,191,125		(36,931,063)		7,871,837		14,795,965		22,570,533		19,208,829		7,283,636		20,413,263
		60,404,125		0		0		0		0		0		59,417		977		0
		60,394		5,204,758		(36,931,063)		7,871,837		14,791,785		22,575,683		19,255,459		5,028,408		21,361,151
		59,158,017																
Expenses:																		
Claims expenses:																		
Incurred losses and loss adjustment expenses																		
Reinsurance payments																		
Total claims expense (reserve reductions)		(138,909,584)		(56,724,056)		13,331,180		(28,527,086)		(703,219)		974,540		36,171,037		(60,640,889)		(42,791,091)
		(20,677,185)		0		(8,354,472)		0		0		0		0		0		(12,322,713)
		(159,586,769)		(56,724,056)		4,976,707		(28,527,086)		(703,219)		974,540		36,171,037		(60,640,889)		(55,113,804)
Operating expenses:																		
General and administrative expenses																		
Professional fees		1,201,733		65,845		172,350		152,325		122,693		163,780		144,197		182,604		197,939
Legal fees		930,746		29,978		125,636		72,764		78,773		157,674		212,216		252,895		811
Depreciation & amortization expense		162,729		67,275		47,804		30,367		11,126		6,158		0		0		0
Allocated expenses		1,623		1,623		0		0		0		0		0		0		0
Change in allowance for uncollectible balances		4,962,917		257,324		411,835		407,256		356,489		328,830		242,766		974,816		1,973,601
		28,666,297		33,795,887		286,890		(607,629)		937,792		2,493,071		1,143,993		(10,219,683)		835,977
Total Operating expenses		35,916,045		34,217,932		1,044,515		55,082		1,506,873		3,149,512		1,743,172		(8,809,368)		3,008,328
Total expenses		(123,670,724)		(22,506,124)		6,021,222		(28,472,004)		803,655		4,124,052		37,914,209		(69,450,287)		(52,105,476)
Excess of revenue and reserve reductions over operating expenses before federal income taxes		182,828,741		27,710,882		(42,952,285)		36,343,841		13,988,130		18,451,631		(18,658,750)		74,478,664		73,466,628
Federal income tax provision benefit		7,075,795		2,500,000		906,883		1,000,000		656,633		500,402		323,509		(265,588)		1,453,956
Excess of revenue (deficiency) and reserve reductions over operating expenses	\$	175,752,946	\$	25,210,882	\$	(43,859,168)	\$	35,343,841	\$	13,331,497	\$	17,951,229	\$	(18,982,259)	\$	74,744,252	\$	72,012,672