**LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION**

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# QUARTERLY STATEMENT

**As of September 30, 2011**
of the Condition and Affairs of the

# Universal Guaranty Life Insurance Company

NAIC Group Code.....4299, 4299 (Current Period) (Prior Period) NAIC Company Code..... 70130 Employer's ID Number..... 31-0727974

Organized under the Laws of Ohio State of Domicile or Port of Entry Ohio Country of Domicile US

Incorporated/Organized..... November 15, 1966 Commenced Business..... December 31, 1966

| | | |
|---|---|---|
| Statutory Home Office | 65 East State Street, Suite 2100….. Columbus ..... OH ..... 43215-4260<br>*(Street and Number) (City or Town, State and Zip Code)* | |
| Main Administrative Office | 5250 S 6th Street Rd….. Springfield ..... IL ..... 62703-5128<br>*(Street and Number) (City or Town, State and Zip Code)* | 877-881-1777<br>*(Area Code) (Telephone Number)* |
| Mail Address | P.O. Box 5147….. Springfield ..... IL ..... 62705-5147<br>*(Street and Number or P. O. Box) (City or Town, State and Zip Code)* | |
| Primary Location of Books and Records | 5250 S 6th Street Rd….. Springfield ..... IL ..... 62703-5128<br>*(Street and Number) (City or Town, State and Zip Code)* | 217-241-6300-363<br>*(Area Code) (Telephone Number)* |
| Internet Web Site Address | www.utgins.com | |
| Statutory Statement Contact | Theodore Clayton Miller<br>*(Name)*<br>accounting@utgins.com<br>*(E-Mail Address)* | 217-241-6300-363<br>*(Area Code) (Telephone Number) (Extension)*<br>217-241-6590<br>*(Fax Number)* |

## OFFICERS

| Name | Title | Name | Title |
|---|---|---|---|
| 1. James Patrick Rousey | President | 2. Theodore Clayton Miller | Secretary/CFO |
| 3. Jacob Joncarl Andrew | Treasurer | 4. | |

## OTHER

| | | | |
|---|---|---|---|
| Jacob Joncarl Andrew | Vice President | Michael Keith Borden | Vice President |
| Jesse Thomas Correll | Chief Executive Officer | Douglas Paul Ditto | Vice President |
| Douglas August Dockter | Vice President | Kendra Ann Lynn | Vice President |
| Theodore Clayton Miller | Senior Vice President | | |

## DIRECTORS OR TRUSTEES

| | | | |
|---|---|---|---|
| John Sanford Albin | Randall Lanier Attkisson | Joseph Anthony Brinck II | Jesse Thomas Correll |
| Ward Forrest Correll | Thomas Francis Darden II | Howard Lape Dayton | Daryl Jack Heald |
| Peter Loyd Ochs | William Wesley Perry | James Patrick Rousey | |

State of..... Illinois
County of..... Sangamon

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

| (Signature) | (Signature) | (Signature) |
|---|---|---|
| James Patrick Rousey | Theodore Clayton Miller | Jacob Joncarl Andrew |
| 1. (Printed Name) | 2. (Printed Name) | 3. (Printed Name) |
| President | Secretary/CFO | Treasurer |
| (Title) | (Title) | (Title) |

Subscribed and sworn to before me

This 1st day of November, 2011

a. Is this an original filing? Yes [ X ] No [ ]

b. If no: 1. State the amendment number

2. Date filed

3. Number of pages attached

# ASSETS

| | Current Statement Date | | | 4 |
|---|---|---|---|---|
| | 1<br>Assets | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets (Cols. 1 - 2) | December 31 Prior Year Net Admitted Assets |
| 1. Bonds | 101,397,012 | 0 | 101,397,012 | 121,936,323 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | 9,334,660 | 0 | 9,334,660 | 10,814,043 |
| 2.2 Common stocks | 24,994,012 | 0 | 24,994,012 | 28,214,548 |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens | 36,467,681 | 0 | 36,467,681 | 51,132,233 |
| 3.2 Other than first liens | 0 | 0 | 0 | 0 |
| 4. Real estate: | | | | |
| 4.1 Properties occupied by the company (less $.....0 encumbrances) | 1,558,317 | 0 | 1,558,317 | 1,474,424 |
| 4.2 Properties held for the production of income (less $.....0 encumbrances) | 0 | 0 | 0 | 0 |
| 4.3 Properties held for sale (less $.....0 encumbrances) | 14,381,165 | 0 | 14,381,165 | 14,055,804 |
| 5. Cash ($.....19,704,196), cash equivalents ($.....0) and short-term investments ($.....328,276) | 20,032,472 | 0 | 20,032,472 | 12,204,859 |
| 6. Contract loans (including $.....0 premium notes) | 10,443,473 | 0 | 10,443,473 | 10,841,393 |
| 7. Derivatives | 10,060,073 | 0 | 10,060,073 | 466,710 |
| 8. Other invested assets | 38,275,939 | 291,972 | 37,983,967 | 18,860,366 |
| 9. Receivables for securities | 0 | 0 | 0 | 0 |
| 10. Securities lending reinvested collateral assets | 0 | 0 | 0 | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 266,944,804 | 291,972 | 266,652,832 | 270,000,703 |
| 13. Title plants less $.....0 charged off (for Title insurers only) | 0 | 0 | 0 | 0 |
| 14. Investment income due and accrued | 974,078 | 0 | 974,078 | 1,014,325 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | (41,900) | 0 | (41,900) | (55,858) |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums) | 742,891 | 0 | 742,891 | 759,614 |
| 15.3 Accrued retrospective premiums | 0 | 0 | 0 | 0 |
| 16. Reinsurance: | | | | |
| 161. Amounts recoverable from reinsurers | 217,604 | 0 | 217,604 | 111,049 |
| 16.2 Funds held by or deposited with reinsured companies | 0 | 0 | 0 | 0 |
| 16.3 Other amounts receivable under reinsurance contracts | 246,484 | 0 | 246,484 | 371,051 |
| 17. Amounts receivable relating to uninsured plans | 0 | 0 | 0 | 0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 934,107 | 0 | 934,107 | 0 |
| 18.2 Net deferred tax asset | 223,920 | 0 | 223,920 | 0 |
| 19. Guaranty funds receivable or on deposit | 19,424 | 0 | 19,424 | 20,863 |
| 20. Electronic data processing equipment and software | 0 | 0 | 0 | 0 |
| 21. Furniture and equipment, including health care delivery assets ($.....0) | 0 | 0 | 0 | 0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | 0 | 0 | 0 | 0 |
| 23. Receivables from parent, subsidiaries and affiliates | 0 | 0 | 0 | 0 |
| 24. Health care ($.....0) and other amounts receivable | 0 | 0 | 0 | 0 |
| 25. Aggregate write-ins for other than invested assets | 403,795 | 0 | 403,795 | 302,673 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25) | 270,665,207 | 291,972 | 270,373,235 | 272,524,420 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 | 0 | 0 |
| 28. Total (Lines 26 and 27) | 270,665,207 | 291,972 | 270,373,235 | 272,524,420 |

**DETAILS OF WRITE-INS**

| | | | | |
|---|---|---|---|---|
| 1101. | 0 | 0 | 0 | 0 |
| 1102. | 0 | 0 | 0 | 0 |
| 1103. | 0 | 0 | 0 | 0 |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) | 0 | 0 | 0 | 0 |
| 2501. Due from unafilliate | 403,795 | 0 | 403,795 | 302,673 |
| 2502. | 0 | 0 | 0 | 0 |
| 2503. | 0 | 0 | 0 | 0 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) | 403,795 | 0 | 403,795 | 302,673 |

# LIABILITIES, SURPLUS AND OTHER FUNDS

| | | 1<br>Current<br>Statement Date | 2<br>December 31<br>Prior Year |
|---|---|---|---|
| 1. | Aggregate reserve for life contracts $.....200,277,917 less $.....0 included in Line 6.3 (including $.....0 Modco Reserve) | 200,277,917 | 203,144,271 |
| 2. | Aggregate reserve for accident and health contracts (including $.....0 Modco Reserve) | 330,401 | 334,296 |
| 3. | Liability for deposit-type contracts (including $.....0 Modco Reserve) | 10,300,012 | 10,379,884 |
| 4. | Contract claims: | | |
| | 4.1 Life | 1,783,872 | 1,911,705 |
| | 4.2 Accident and health | 62,454 | 63,186 |
| 5. | Policyholders' dividends $.....0 and coupons $.....0 due and unpaid | 0 | 0 |
| 6. | Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts: | | |
| | 6.1 Dividends apportioned for payment (including $.....0 Modco) | 522,101 | 557,880 |
| | 6.2 Dividends not yet apportioned (including $.....0 Modco) | 0 | 0 |
| | 6.3 Coupons and similar benefits (including $.....0 Modco) | 0 | 0 |
| 7. | Amount provisionally held for deferred dividend policies not included in Line 6 | 0 | 0 |
| 8. | Premiums and annuity considerations for life and accident and health contracts received in advance less $.....0 discount; including $.....0 accident and health premiums | 53,417 | 56,116 |
| 9. | Contract liabilities not included elsewhere: | | |
| | 9.1 Surrender values on canceled contracts | 0 | 0 |
| | 9.2 Provision for experience rating refunds, including $.....0 accident and health experience rating refunds | 0 | 0 |
| | 9.3 Other amounts payable on reinsurance, including $.....0 assumed and $.....0 ceded | 0 | 0 |
| | 9.4 Interest Maintenance Reserve | 787,177 | 0 |
| 10. | Commissions to agents due or accrued - life and annuity contracts $.....0, accident and health $.....0 and deposit-type contract funds $.....0 | 0 | 0 |
| 11. | Commissions and expense allowances payable on reinsurance assumed | 0 | 0 |
| 12. | General expenses due or accrued | 486,719 | 595,576 |
| 13. | Transfers to Separate Accounts due or accrued (net) (including $.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances) | 0 | 0 |
| 14. | Taxes, licenses and fees due or accrued, excluding federal income taxes | 513,439 | 486,525 |
| 15.1 | Current federal and foreign income taxes, including $.....0 on realized capital gains (losses) | 0 | 77,061 |
| 15.2 | Net deferred tax liability | 0 | 398,271 |
| 16. | Unearned investment income | 199,220 | 200,018 |
| 17. | Amounts withheld or retained by company as agent or trustee | 479,667 | 421,329 |
| 18. | Amounts held for agents' account, including $.....751 agents' credit balances | 751 | 0 |
| 19. | Remittances and items not allocated | 0 | 0 |
| 20. | Net adjustment in assets and liabilities due to foreign exchange rates | 0 | 0 |
| 21. | Liability for benefits for employees and agents if not included above | 0 | 0 |
| 22. | Borrowed money $.....0 and interest thereon $.....0 | 0 | 2,000,000 |
| 23. | Dividends to stockholders declared and unpaid | 0 | 0 |
| 24. | Miscellaneous liabilities: | | |
| | 24.01 Asset valuation reserve | 8,350,049 | 8,207,244 |
| | 24.02 Reinsurance in unauthorized companies | 0 | 0 |
| | 24.03 Funds held under reinsurance treaties with unauthorized reinsurers | 0 | 0 |
| | 24.04 Payable to parent, subsidiaries and affiliates | 1,323 | 35,428 |
| | 24.05 Drafts outstanding | 0 | 0 |
| | 24.06 Liability for amounts held under uninsured plans | 0 | 0 |
| | 24.07 Funds held under coinsurance | 0 | 0 |
| | 24.08 Derivatives | 13,690,431 | 12,030,030 |
| | 24.09 Payable for securities | 1,724,052 | 0 |
| | 24.10 Payable for securities lending | 0 | 0 |
| | 24.11 Capital notes $.....0 and interest thereon $.....0 | 0 | 0 |
| 25. | Aggregate write-ins for liabilities | 1,257,300 | 1,182,720 |
| 26. | Total liabilities excluding Separate Accounts business (Lines 1 to 25) | 240,820,302 | 242,081,540 |
| 27. | From Separate Accounts statement | 0 | 0 |
| 28. | Total liabilities (Lines 26 and 27) | 240,820,302 | 242,081,540 |
| 29. | Common capital stock | 2,000,000 | 2,000,000 |
| 30. | Preferred capital stock | 0 | 0 |
| 31. | Aggregate write-ins for other than special surplus funds | 0 | 0 |
| 32. | Surplus notes | 0 | 0 |
| 33. | Gross paid in and contributed surplus | 18,655,343 | 18,655,343 |
| 34. | Aggregate write-ins for special surplus funds | 0 | 0 |
| 35. | Unassigned funds (surplus) | 8,897,590 | 9,787,537 |
| 36. | Less treasury stock, at cost: | | |
| | 36.1 .....0.000 shares common (value included in Line 29 $.....0) | 0 | 0 |
| | 36.2 .....0.000 shares preferred (value included in Line 30 $.....0) | 0 | 0 |
| 37. | Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including $.....0 in Separate Accounts Statement) | 27,552,933 | 28,442,880 |
| 38. | Totals of Lines 29, 30 and 37 | 29,552,933 | 30,442,880 |
| 39. | Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) | 270,373,235 | 272,524,420 |

**DETAILS OF WRITE-INS**

| | | | |
|---|---|---|---|
| 2501. | Short Stock | 1,257,300 | 1,182,720 |
| 2502. | | 0 | 0 |
| 2503. | | 0 | 0 |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 |
| 2599. | Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) | 1,257,300 | 1,182,720 |
| 3101. | | 0 | 0 |
| 3102. | | 0 | 0 |
| 3103. | | 0 | 0 |
| 3198. | Summary of remaining write-ins for Line 31 from overflow page | 0 | 0 |
| 3199. | Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above) | 0 | 0 |
| 3401. | | 0 | 0 |
| 3402. | | 0 | 0 |
| 3403. | | 0 | 0 |
| 3498. | Summary of remaining write-ins for Line 34 from overflow page | 0 | 0 |
| 3499. | Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above) | 0 | 0 |

# SUMMARY OF OPERATIONS

| | 1<br>Current<br>Year to Date | 2<br>Prior<br>Year to Date | 3<br>Prior Year Ended<br>December 31 |
|---|---|---|---|
| 1. Premiums and annuity considerations for life and accident and health contracts | 5,763,669 | 5,852,704 | 7,725,367 |
| 2. Considerations for supplementary contracts with life contingencies | 65,169 | 101,129 | 101,129 |
| 3. Net investment income | 10,323,202 | 13,890,878 | 17,666,022 |
| 4. Amortization of Interest Maintenance Reserve (IMR) | 170,977 | 86,916 | 112,475 |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses | 0 | 0 | 0 |
| 6. Commissions and expense allowances on reinsurance ceded | 186,434 | 189,846 | 243,996 |
| 7. Reserve adjustments on reinsurance ceded | 0 | 0 | 0 |
| 8. Miscellaneous Income: | | | |
| 8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts | 0 | 0 | 0 |
| 8.2 Charges and fees for deposit-type contracts | 0 | 0 | 0 |
| 8.3 Aggregate write-ins for miscellaneous income | 1,444,289 | 1,229,959 | 1,627,816 |
| 9. Totals (Lines 1 to 8.3) | 17,953,740 | 21,351,432 | 27,476,805 |
| 10. Death benefits | 8,494,510 | 7,359,872 | 9,878,775 |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | 75,251 | 70,253 | 95,889 |
| 12. Annuity benefits | 309,256 | 527,097 | 572,843 |
| 13. Disability benefits and benefits under accident and health contracts | 30,990 | 34,556 | 49,037 |
| 14. Coupons, guaranteed annual pure endowments and similar benefits | 0 | 0 | 0 |
| 15. Surrender benefits and withdrawals for life contracts | 4,308,752 | 4,455,082 | 5,803,683 |
| 16. Group conversions | 0 | 0 | 0 |
| 17. Interest and adjustments on contract or deposit-type contract funds | 341,698 | 352,245 | 426,864 |
| 18. Payments on supplementary contracts with life contingencies | 126,143 | 137,646 | 179,863 |
| 19. Increase in aggregate reserves for life and accident and health contracts | (2,870,248) | (2,389,856) | (3,028,625) |
| 20. Totals (Lines 10 to 19) | 10,816,352 | 10,546,895 | 13,978,329 |
| 21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) | 19,345 | 615 | 7,845 |
| 22. Commissions and expense allowances on reinsurance assumed | 11,960 | 12,359 | 16,827 |
| 23. General insurance expenses | 3,097,783 | 3,096,542 | 4,264,313 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes | 293,572 | 362,366 | 489,643 |
| 25. Increase in loading on deferred and uncollected premiums | 6,423 | (5,122) | (27,672) |
| 26. Net transfers to or (from) Separate Accounts net of reinsurance | 0 | 0 | 0 |
| 27. Aggregate write-ins for deductions | 0 | 0 | 0 |
| 28. Totals (Lines 20 to 27) | 14,245,435 | 14,013,655 | 18,729,285 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | 3,708,305 | 7,337,777 | 8,747,520 |
| 30. Dividends to policyholders | 356,964 | 391,222 | 500,341 |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | 3,351,341 | 6,946,555 | 8,247,179 |
| 32. Federal and foreign income taxes incurred (excluding tax on capital gains) | 685,893 | 2,260,671 | 2,144,790 |
| 33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32) | 2,665,448 | 4,685,884 | 6,102,389 |
| 34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of $.....0 (excluding taxes of $.....0 transferred to the IMR) | (1,651,018) | (901,928) | (1,305,950) |
| 35. Net income (Line 33 plus Line 34) | 1,014,430 | 3,783,956 | 4,796,439 |
| **CAPITAL AND SURPLUS ACCOUNT** | | | |
| 36. Capital and surplus, December 31, prior year | 30,442,880 | 27,349,870 | 27,349,870 |
| 37. Net income (Line 35) | 1,014,430 | 3,783,956 | 4,796,439 |
| 38. Change in net unrealized capital gains (losses) less capital gains tax of $.....0 | (1,007,208) | 1,230,734 | 2,034,746 |
| 39. Change in net unrealized foreign exchange capital gain (loss) | 0 | 0 | 0 |
| 40. Change in net deferred income tax | 622,191 | 255,218 | 230,101 |
| 41. Change in nonadmitted assets | 223,445 | 295,913 | 164,825 |
| 42. Change in liability for reinsurance in unauthorized companies | 0 | 0 | 0 |
| 43. Change in reserve on account of change in valuation basis, (increase) or decrease | 0 | 0 | 0 |
| 44. Change in asset valuation reserve | (142,805) | (1,300,326) | (1,408,101) |
| 45. Change in treasury stock | 0 | 0 | 0 |
| 46. Surplus (contributed to) withdrawn from Separate Accounts during period | 0 | 0 | 0 |
| 47. Other changes in surplus in Separate Accounts Statement | 0 | 0 | 0 |
| 48. Change in surplus notes | 0 | 0 | 0 |
| 49. Cumulative effect of changes in accounting principles | 0 | 0 | 0 |
| 50. Capital changes: | | | |
| 50.1 Paid in | 0 | 0 | 0 |
| 50.2 Transferred from surplus (Stock Dividend) | 0 | 0 | 0 |
| 50.3 Transferred to surplus | 0 | 0 | 0 |
| 51. Surplus adjustment: | | | |
| 51.1 Paid in | 0 | 0 | 0 |
| 51.2 Transferred to capital (Stock Dividend) | 0 | 0 | 0 |
| 51.3 Transferred from capital | 0 | 0 | 0 |
| 51.4 Change in surplus as a result of reinsurance | 0 | 0 | 0 |
| 52. Dividends to stockholders | (1,600,000) | (1,100,000) | (2,725,000) |
| 53. Aggregate write-ins for gains and losses in surplus | 0 | 0 | 0 |
| 54. Net change in capital and surplus (Lines 37 through 53) | (889,947) | 3,165,494 | 3,093,010 |
| 55. Capital and surplus as of statement date (Lines 36 + 54) | 29,552,933 | 30,515,365 | 30,442,880 |
| **DETAILS OF WRITE-INS** | | | |
| 08.301. Miscellaneous Income | 742 | 2,127 | 2,295 |
| 08.302. Third Party Administration Income | 1,443,547 | 1,227,832 | 1,625,521 |
| 08.303. | 0 | 0 | 0 |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page | 0 | 0 | 0 |
| 08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above) | 1,444,289 | 1,229,959 | 1,627,816 |
| 2701. | 0 | 0 | 0 |
| 2702. | 0 | 0 | 0 |
| 2703. | 0 | 0 | 0 |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | 0 | 0 | 0 |
| 2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) | 0 | 0 | 0 |
| 5301. | 0 | 0 | 0 |
| 5302. | 0 | 0 | 0 |
| 5303. | 0 | 0 | 0 |
| 5398. Summary of remaining write-ins for Line 53 from overflow page | 0 | 0 | 0 |
| 5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above) | 0 | 0 | 0 |

# CASH FLOW

| | | 1<br>Current Year<br>to Date | 2<br>Prior Year<br>To Date | 3<br>Prior Year Ended<br>December 31 |
|---|---|---|---|---|
| | **CASH FROM OPERATIONS** | | | |
| 1. | Premiums collected net of reinsurance | 5,822,481 | 5,034,493 | 7,120,511 |
| 2. | Net investment income | 8,566,914 | 9,214,170 | 11,985,720 |
| 3. | Miscellaneous income | 1,630,723 | 1,419,805 | 1,871,812 |
| 4. | Total (Lines 1 through 3) | 16,020,118 | 15,668,468 | 20,978,043 |
| 5. | Benefit and loss related payments | 13,996,741 | 11,780,641 | 15,336,225 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | 0 | 0 | 0 |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 3,504,603 | 2,677,334 | 4,584,281 |
| 8. | Dividends paid to policyholders | 392,743 | 432,553 | 552,140 |
| 9. | Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses) | 1,697,061 | 250,000 | 1,500,000 |
| 10. | Total (Lines 5 through 9) | 19,591,148 | 15,140,528 | 21,972,646 |
| 11. | Net cash from operations (Line 4 minus Line 10) | (3,571,030) | 527,940 | (994,603) |
| | **CASH FROM INVESTMENTS** | | | |
| 12. | Proceeds from investments sold, matured or repaid: | | | |
| | 12.1 Bonds | 107,707,888 | 57,670,545 | 60,565,600 |
| | 12.2 Stocks | 18,768,925 | 26,812,616 | 32,527,042 |
| | 12.3 Mortgage loans | 10,621,092 | 27,555,283 | 34,460,947 |
| | 12.4 Real estate | 4,684,628 | 66,233 | 289,944 |
| | 12.5 Other invested assets | 212,000 | 498,661 | 578,662 |
| | 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | 0 | 0 | 0 |
| | 12.7 Miscellaneous proceeds | 1,724,052 | 10,662,523 | 1,652,116 |
| | 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 143,718,586 | 123,265,861 | 130,074,311 |
| 13. | Cost of investments acquired (long-term only): | | | |
| | 13.1 Bonds | 88,586,227 | 67,701,768 | 79,935,937 |
| | 13.2 Stocks | 14,063,310 | 31,436,584 | 32,523,424 |
| | 13.3 Mortgage loans | 9,656,327 | 23,710,967 | 32,324,781 |
| | 13.4 Real estate | 1,257,089 | 271,906 | 1,081,232 |
| | 13.5 Other invested assets | 7,069,814 | 405,000 | 439,000 |
| | 13.6 Miscellaneous applications | 8,530,115 | 278,975 | 712,962 |
| | 13.7 Total investments acquired (Lines 13.1 to 13.6) | 129,162,882 | 123,805,200 | 147,017,336 |
| 14. | Net increase (decrease) in contract loans and premium notes | (397,920) | (44,179) | (171,067) |
| 15. | Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) | 14,953,624 | (495,160) | (16,771,958) |
| | **CASH FROM FINANCING AND MISCELLANEOUS SOURCES** | | | |
| 16. | Cash provided (applied): | | | |
| | 16.1 Surplus notes, capital notes | 0 | 0 | 0 |
| | 16.2 Capital and paid in surplus, less treasury stock | 0 | 0 | 0 |
| | 16.3 Borrowed funds | (2,000,000) | 0 | 2,000,000 |
| | 16.4 Net deposits on deposit-type contracts and other insurance liabilities | 0 | 0 | (911,246) |
| | 16.5 Dividends to stockholders | 1,600,000 | 1,100,000 | 2,725,000 |
| | 16.6 Other cash provided (applied) | 45,019 | (8,061,975) | 3,885,953 |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) | (3,554,981) | (9,161,975) | 2,249,707 |
| | **RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS** | | | |
| 18. | Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17) | 7,827,613 | (9,129,195) | (15,516,854) |
| 19. | Cash, cash equivalents and short-term investments: | | | |
| | 19.1 Beginning of year | 12,204,859 | 27,721,713 | 27,721,713 |
| | 19.2 End of period (Line 18 plus Line 19.1) | 20,032,472 | 18,592,519 | 12,204,859 |

Note: Supplemental disclosures of cash flow information for non-cash transactions:

| | | | | |
|---|---|---|---|---|
| 20.0001 | | 0 | 0 | 0 |

# EXHIBIT 1

## DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

| | 1<br>Current Year<br>To Date | 2<br>Prior Year<br>To Date | 3<br>Prior Year<br>Ended December 31 |
|---|---|---|---|
| 1. Industrial life | 4,421 | 5,658 | 4,718 |
| 2. Ordinary life insurance | 7,515,420 | 8,025,630 | 10,391,669 |
| 3. Ordinary individual annuities | 247,345 | 262,975 | 332,621 |
| 4. Credit life (group and individual) | 0 | 0 | 0 |
| 5. Group life insurance | 174,030 | 189,383 | 250,661 |
| 6. Group annuities | 0 | 0 | 0 |
| 7. A&H - group | 0 | 0 | 0 |
| 8. A&H - credit (group and individual) | 0 | 0 | 0 |
| 9. A&H - other | 24,299 | 25,587 | 32,835 |
| 10. Aggregate of all other lines of business | 0 | 0 | 0 |
| 11. Subtotal | 7,965,515 | 8,509,233 | 11,012,504 |
| 12. Deposit-type contracts | 0 | 0 | 0 |
| 13. Total | 7,965,515 | 8,509,233 | 11,012,504 |

**DETAILS OF WRITE-INS**

| | | | |
|---|---|---|---|
| 1001. | 0 | 0 | 0 |
| 1002. | 0 | 0 | 0 |
| 1003. | 0 | 0 | 0 |
| 1098. Summary of remaining write-ins for Line 10 from overflow page | 0 | 0 | 0 |
| 1099. Total (Lines 1001 thru 1003 plus 1098) (Line 10 above) | 0 | 0 | 0 |

# NOTES TO FINANCIAL STATEMENTS

**Note 1 - Summary of Significant Accounting Policies**

A. Accounting Practices

The financial statements of Universal Guaranty Life Insurance Company have been completed in accordance with the NAIC Accounting Practices and Procedures manual. The Company has not employed any permitted practices in the preparation of these financial statements.

**Note 2 - Accounting Changes and Corrections of Errors**

No significant change.

**Note 3 - Business Combinations and Goodwill**

No significant change.

**Note 4 - Discontinued Operations**

No significant change.

**Note 5 - Investments**

D. None

**Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**

No significant change.

**Note 7 - Investment Income**

No significant change.

**Note 8 - Derivative Instruments**

No significant change.

**Note 9 - Income Taxes**

No significant change.

**Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

None

**Note 11 - Debt**

No significant change.

**Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

No significant change.

**Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

No significant change.

**Note 14 - Contingencies**

No significant change.

**Note 15 - Leases**

No significant change.

# NOTES TO FINANCIAL STATEMENTS

**Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

No significant change.

**Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

C. None

**Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

No significant change.

**Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

No significant change.

**Note 20 - Fair Value**

A. (1.) Fair Value Measurements at Reporting Date Assets Measured at Fair Value on a recurring Basis

| Description | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| a. Assets at fair value | | | | |
| Bonds | | | | |
| U.S. Government | $ 69,510,596 | $ 0 | $ 0 | $ 69,510,596 |
| Industrial and miscellaneous | 31,886,416 | 0 | 0 | 31,886,416 |
| Total bonds | 101,397,012 | 0 | 0 | 101,397,012 |
| Common stock | | | | |
| Industrial and miscellaneous | 21,441,908 | 3,552,104 | 0 | $ 24,994,012 |
| Preferred stock | 9,334,660 | 0 | 0 | 9,334,660 |
| Derivative asset | 10,060,073 | 0 | 0 | 10,060,073 |
| Total assets at fair value | $ 40,836,641 | $ 3,552,104 | $ 0 | $ 44,388,745 |
| b. Liability at fair value | | | | |
| Derivative liability | $ 13,690,432 | $ 0 | $ 0 | $ 13,690,432 |

(2.) None

(3.) None

(4.) The Company utilized a pricing service to estimate fair value measurements for its fixed maturities and public common and preferred stocks. The pricing service utilizes market quotations for securities that have quoted market prices in active markets. The Company's Level 2 investments include other than temporary impaiments recognized during the year and investments that are not frequently traded.

Securities designated as derivatives are reported at fair value using market quotes, with gains or losses resulting from changes in fair value recognized in earnings.

**Note 21 - Other Items**

The Company regularly reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other than temporary. Based on an evaluation of the issues, including, but not limited to, intentions to sell or ability to hold the fixed maturity and equity securities with unrealized losses for a period of time sufficient for them to recover; the length of time and amount of the unrealized loss; and the credit ratings of the issuers of the investments, the Company held nine and six fixed maturity investments as other-than-temporarily impaired at September 30, 2011 and December 31, 2010. Other-than-temporary impairments of $242,560 and $1,247,835 were taken in the first nine months of 2011 and during the twelve months ended December 31, 2010, respectively. The other-than-temporary impairments during 2011 were taken on several discounted mortgage loans to better reflect current expected market values. The other-than-temporary impairments taken during 2010 were due to changes in expected future cash flows of investments in bonds backed by trust preferred securities of banks and common stocks.

**Note 22 - Events Subsequent**

No significant change.

**Note 23 - Reinsurance**

# NOTES TO FINANCIAL STATEMENTS

No significant change.

**Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination**

No significant change.

**Note 25 - Change in Incurred Losses and Loss Adjustment Expenses**

None

**Note 26 - Intercompany Pooling Arrangements**

No significant change.

**Note 27 - Structured Settlements**

No significant change.

**Note 28 - Health Care Receivables**

No significant change.

**Note 29 - Participating Policies**

No significant change.

**Note 30 - Premium Deficiency Reserves**

No significant change.

**Note 31 - Reserves for Life Contracts and Annuity Contracts**

No significant change.

**Note 32 - Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics**

No significant change.

**Note 33 - Premiums and Annuity Considerations Deferred and Uncollected**

No significant change.

**Note 34 - Separate Accounts**

No significant change.

**Note 35 - Loss/Claim Adjustment Expenses**

No significant change.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

## GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [ X ]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]

2.2 If yes, date of change: .....

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [ X ]
If yes, complete the Schedule Y-Part 1 - Organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]

4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1<br>Name of Entity | 2<br>NAIC<br>Company Code | 3<br>State of<br>Domicile |
|---|---|---|
| | | |

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [ X ] N/A [ ]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009.....

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2009.....

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 4/21/2011.....

6.4 By what department or departments?
Ohio Department of Insurance

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ X ] No [ ] N/A [ ]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ X ] No [ ] N/A [ ]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [ X ]

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ X ] No [ ]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
First Southern Bancorp, Inc.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ X ] No [ ]

8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

| 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>OTS | 6<br>FDIC | 7<br>SEC |
|---|---|---|---|---|---|---|
| First Southern National Bank | | | YES | | | |

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ X ] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [ X ]

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

## GENERAL

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

## FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [ X ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $.....0

## INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [ X ]

11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $.....0

13. Amount of real estate and mortgages held in short-term investments: $.....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ X ] No [ ]

14.2 If yes, please complete the following:

| | | 1<br>Prior Year-End<br>Book/Adjusted Carrying Value | 2<br>Current Quarter<br>Book/Adjusted Carrying Value |
|---|---|---|---|
| 14.21 | Bonds | $ .....0 | $ .....0 |
| 14.22 | Preferred Stock | $ .....4,000,000 | $ .....4,000,000 |
| 14.23 | Common Stock | $ .....18,860,326 | $ .....17,608,595 |
| 14.24 | Short-Term Investments | $ .....0 | $ .....0 |
| 14.25 | Mortgage Loans on Real Estate | $ .....0 | $ .....0 |
| 14.26 | All Other | $ .....15,963,677 | $ .....29,272,234 |
| 14.27 | Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | $ .....38,824,003 | $ .....50,880,829 |
| 14.28 | Total Investment in Parent included in Lines 14.21 to 14.26 above | $ .....0 | $ .....0 |

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]
If no, attach a description with this statement.

16. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III. Conducting Examinations, F-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [ X ] No [ ]

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| 1<br>Name of Custodian(s) | 2<br>Custodian Address |
|---|---|
| Bank of New York | 101 Barclay Street, New York, NY 10286 |
| TD Ameritrade | PO Box 2209, Omaha, NE 68103 |
| The Federal Home Loan Bank of Cincinnati | PO Box 598, Cincinnati, OH 45201 |
| J.P. Morgan Clearing Corp. | 3 Chase Metrotech Center, Brooklyn, NY 11245 |
| Goldman Sachs Execution & Clearing, LP | 30 Hudson Street, Jersey City, NJ 07302 |

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

| 1<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|---|---|---|
| | | |

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [ X ]

16.4 If yes, give full and complete information relating thereto:

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|---|---|---|---|
| | | | |

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

| 1<br>Central Registration Depository | 2<br>Name(s) | 3<br>Address |
|---|---|---|
| | | |

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [ X ] No [ ]

17.2 If no, list exceptions:

# GENERAL INTERROGATORIES (continued)

## PART 2 - LIFE & HEALTH

| | | | 1 |
|---|---|---|---|
| 1. | Report the statement value of mortgage loans at the end of this reporting period for the following categories: | | |
| | | | Amount |
| 1.1 | Long-term mortgages in good standing | | |
| | 1.11 Farm mortgages | $ | 0 |
| | 1.12 Residential mortgages | $ | 228,372 |
| | 1.13 Commercial mortgages | $ | 14,199,624 |
| | 1.14 Total mortgages in good standing | $ | 14,427,996 |
| 1.2 | Long-term mortgages in good standing with restructured terms | | |
| | 1.21 Total mortgages in good standing with restructured terms | $ | 7,752,294 |
| 1.3 | Long-term mortgage loans upon which interest is overdue more than three months | | |
| | 1.31 Farm mortgages | $ | 0 |
| | 1.32 Residential mortgages | $ | 0 |
| | 1.33 Commercial mortgages | $ | 8,523,715 |
| | 1.34 Total mortgages with interest overdue more than three months | $ | 8,523,715 |
| 1.4 | Long-term mortgage loans in process of foreclosure | | |
| | 1.41 Farm mortgages | $ | 0 |
| | 1.42 Residential mortgages | $ | 0 |
| | 1.43 Commercial mortgages | $ | 5,763,676 |
| | 1.44 Total mortgages in process of foreclosure | $ | 5,763,676 |
| 1.5 | Total mortgage loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2) | $ | 36,467,681 |
| 1.6 | Long-term mortgages foreclosed, properties transferred to real estate in current quarter | | |
| | 1.61 Farm mortgages | $ | 0 |
| | 1.62 Residential mortgages | $ | 0 |
| | 1.63 Commercial mortgages | $ | 1,253,191 |
| | 1.64 Total mortgages foreclosed and transferred to real estate | $ | 1,253,191 |
| 2. | Operating Percentages: | | |
| | 2.1 A&H loss percent | | 0.0 |
| | 2.2 A&H cost containment percent | | 0.0 |
| | 2.3 A&H expense percent excluding cost containment expenses | | 0.0 |
| 3.1 | Do you act as a custodian for health savings accounts? | | Yes [ ] No [ X ] |
| 3.2 | If yes, please provide the amount of custodial funds held as of the reporting date | $ | 0 |
| 3.3 | Do you act as an administrator for health savings accounts? | | Yes [ ] No [ X ] |
| 3.4 | If yes, please provide the balance of the funds administered as of the reporting date | $ | 0 |

# SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

| 1<br>NAIC Company Code | 2<br>Federal ID Number | 3<br>Effective Date | 4<br>Name of Reinsurer | 5<br>Domiciliary Jurisdiction | 6<br>Type of Reinsurance Ceded | 7<br>Is Insurer Authorized? (YES or NO) |
|---|---|---|---|---|---|---|

# NONE

# SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

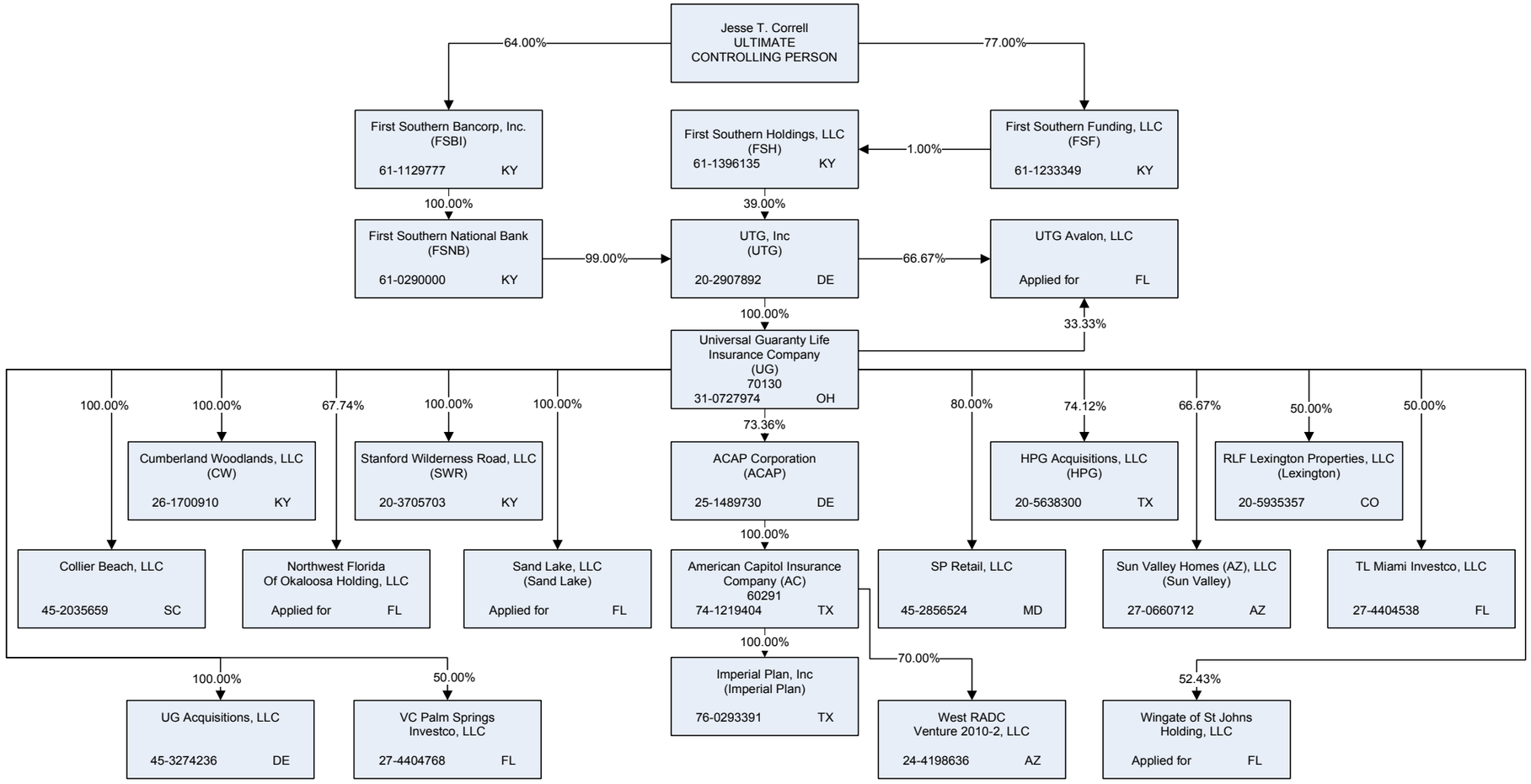
| States, Etc. | 1 Active Status | Direct Business Only | | | | | |
|---|---|---|---|---|---|---|---|
| | | Life Contracts | | 4 | 5 | 6 | 7 |
| | | 2 Life Insurance Premiums | 3 Annuity Considerations | Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees | Other Considerations | Total Columns 2 through 5 | Deposit-Type Contracts |
| 1. Alabama AL | L | 36,437 | 852 | 0 | 0 | 37,289 | 0 |
| 2. Alaska AK | N | 1,381 | 60 | 0 | 0 | 1,441 | 0 |
| 3. Arizona AZ | L | 16,854 | 1,791 | 78 | 0 | 18,723 | 0 |
| 4. Arkansas AR | L | 64,341 | 350 | 0 | 0 | 64,691 | 0 |
| 5. California CA | N | 20,914 | 1,449 | 84 | 0 | 22,447 | 0 |
| 6. Colorado CO | L | 45,753 | 2,627 | 344 | 0 | 48,724 | 0 |
| 7. Connecticut CT | N | 2,142 | 0 | 0 | 0 | 2,142 | 0 |
| 8. Delaware DE | L | 4,744 | 0 | 0 | 0 | 4,744 | 0 |
| 9. District of Columbia DC | N | 1,344 | 0 | 0 | 0 | 1,344 | 0 |
| 10. Florida FL | N | 270,358 | 3,541 | 203 | 0 | 274,102 | 0 |
| 11. Georgia GA | L | 123,580 | 1,064 | 63 | 0 | 124,707 | 0 |
| 12. Hawaii HI | N | 577 | 80 | 0 | 0 | 657 | 0 |
| 13. Idaho ID | L | 1,825 | 0 | 0 | 0 | 1,825 | 0 |
| 14. Illinois IL | L | 1,232,661 | 94,253 | 203 | 0 | 1,327,117 | 0 |
| 15. Indiana IN | L | 177,510 | 21,668 | 6,214 | 0 | 205,392 | 0 |
| 16. Iowa IA | L | 209,340 | 45,588 | 0 | 0 | 254,928 | 0 |
| 17. Kansas KS | L | 375,289 | 3,578 | 5,581 | 0 | 384,448 | 0 |
| 18. Kentucky KY | L | 54,722 | 561 | 402 | 0 | 55,685 | 0 |
| 19. Louisiana LA | L | 111,123 | 1,440 | 0 | 0 | 112,563 | 0 |
| 20. Maine ME | N | 68 | 0 | 0 | 0 | 68 | 0 |
| 21. Maryland MD | N | 8,778 | 995 | 0 | 0 | 9,773 | 0 |
| 22. Massachusetts MA | L | 4,947 | 120 | 0 | 0 | 5,067 | 0 |
| 23. Michigan MI | N | 145,985 | 3,335 | 189 | 0 | 149,509 | 0 |
| 24. Minnesota MN | L | 4,956 | 263 | 245 | 0 | 5,464 | 0 |
| 25. Mississippi MS | L | 117,440 | 919 | 0 | 0 | 118,359 | 0 |
| 26. Missouri MO | L | 248,755 | 14,637 | 1,413 | 0 | 264,805 | 0 |
| 27. Montana MT | L | 35,139 | 317 | 0 | 0 | 35,456 | 0 |
| 28. Nebraska NE | L | 86,348 | 2,086 | 0 | 0 | 88,434 | 0 |
| 29. Nevada NV | L | 5,046 | 0 | 0 | 0 | 5,046 | 0 |
| 30. New Hampshire NH | N | 601 | 0 | 0 | 0 | 601 | 0 |
| 31. New Jersey NJ | N | 3,798 | 0 | 0 | 0 | 3,798 | 0 |
| 32. New Mexico NM | L | 21,843 | 1,493 | 0 | 0 | 23,336 | 0 |
| 33. New York NY | N | 9,456 | 408 | 0 | 0 | 9,864 | 0 |
| 34. North Carolina NC | L | 141,494 | 3,396 | 0 | 0 | 144,890 | 0 |
| 35. North Dakota ND | L | 1,166 | 0 | 74 | 0 | 1,240 | 0 |
| 36. Ohio OH | L | 2,351,072 | 10,422 | 179 | 0 | 2,361,673 | 0 |
| 37. Oklahoma OK | L | 183,369 | 4,419 | 57 | 0 | 187,845 | 0 |
| 38. Oregon OR | L | 6,137 | 0 | 0 | 0 | 6,137 | 0 |
| 39. Pennsylvania PA | L | 106,281 | 71 | 6 | 0 | 106,358 | 0 |
| 40. Rhode Island RI | L | 0 | 0 | 0 | 0 | 0 | 0 |
| 41. South Carolina SC | L | 147,337 | 71 | 44 | 0 | 147,452 | 0 |
| 42. South Dakota SD | L | 3,352 | 47 | 52 | 0 | 3,451 | 0 |
| 43. Tennessee TN | L | 52,970 | 961 | 152 | 0 | 54,083 | 0 |
| 44. Texas TX | L | 296,778 | 14,354 | 56 | 0 | 311,188 | 0 |
| 45. Utah UT | L | 4,309 | 240 | 0 | 0 | 4,549 | 0 |
| 46. Vermont VT | N | 70 | 0 | 0 | 0 | 70 | 0 |
| 47. Virginia VA | L | 107,642 | 3,754 | 0 | 0 | 111,396 | 0 |
| 48. Washington WA | L | 7,748 | 226 | 0 | 0 | 7,974 | 0 |
| 49. West Virginia WV | L | 695,759 | 3,646 | 8,660 | 0 | 708,065 | 0 |
| 50. Wisconsin WI | L | 21,714 | 2,110 | 0 | 0 | 23,824 | 0 |
| 51. Wyoming WY | N | 2,714 | 153 | 0 | 0 | 2,867 | 0 |
| 52. American Samoa AS | N | 0 | 0 | 0 | 0 | 0 | 0 |
| 53. Guam GU | N | 0 | 0 | 0 | 0 | 0 | 0 |
| 54. Puerto Rico PR | N | 0 | 0 | 0 | 0 | 0 | 0 |
| 55. US Virgin Islands VI | N | 0 | 0 | 0 | 0 | 0 | 0 |
| 56. Northern Mariana Islands MP | N | 0 | 0 | 0 | 0 | 0 | 0 |
| 57. Canada CN | N | 0 | 0 | 0 | 0 | 0 | 0 |
| 58. Aggregate Other Alien OT | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Subtotal | (a) 37 | 7,573,967 | 247,345 | 24,299 | 0 | 7,845,611 | 0 |
| 90. Reporting entity contributions for employee benefit plans | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 91. Dividends or refunds applied to purchase paid-up additions and annuities | XXX | 70,558 | 0 | 0 | 0 | 70,558 | 0 |
| 92. Dividends or refunds applied to shorten endowment or premium paying period | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 93. Premium or annuity considerations waived under disability or other contract provisions | XXX | 49,346 | 0 | 0 | 0 | 49,346 | 0 |
| 94. Aggregate other amounts not allocable by State | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 95. Totals (Direct Business) | XXX | 7,693,871 | 247,345 | 24,299 | 0 | 7,965,515 | 0 |
| 96. Plus Reinsurance Assumed | XXX | 26,582 | 0 | 222 | 0 | 26,804 | 0 |
| 97. Totals (All Business) | XXX | 7,720,453 | 247,345 | 24,521 | 0 | 7,992,319 | 0 |
| 98. Less Reinsurance Ceded | XXX | 2,224,329 | 0 | 10,678 | 0 | 2,235,007 | 0 |
| 99. Totals (All Business) less Reinsurance Ceded | XXX | 5,496,124 | 247,345 | 13,843 | 0 | 5,757,312 | 0 |
| **DETAILS OF WRITE-INS** | | | | | | | |
| 5801. | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 5802. | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 5803. | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 5898. Summary of remaining write-ins for line 58 from overflow page | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 5899. Total (Lines 5801 thru 5803 plus 5898) (Line 58 above) | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 9401. | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 9402. | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 9403. | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 9498. Summary of remaining write-ins for line 94 from overflow page | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above) | XXX | 0 | 0 | 0 | 0 | 0 | 0 |

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

# SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 – ORGANIZATIONAL CHART




Q12

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

| | | Response |
|---|---|---|
| 1. | Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? | SEE EXPLANATION |
| 2. | Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | SEE EXPLANATION |
| 3. | Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC? | SEE EXPLANATION |
| 4. | Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC? | SEE EXPLANATION |
| 5. | Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC? | SEE EXPLANATION |
| 6. | Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC? | SEE EXPLANATION |
| 7. | Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC? | SEE EXPLANATION |

**Explanations:**

1. This line of business is not written by the company.
2. This line of business is not written by the company.
3. This line of business is not written by the company.
4. This line of business is not written by the company.
5. This line of business is not written by the company.
6. This line of business is not written by the company.
7. This line of business is not written by the company.

**Bar Code:**

# Overflow Page for Write-Ins

# NONE

# SCHEDULE A - VERIFICATION

Real Estate

| | | 1<br>Year to Date | 2<br>Prior Year Ended December 31 |
|---|---|---|---|
| 1. | Book/adjusted carrying value, December 31 of prior year | 15,530,228 | 10,115,346 |
| 2. | Cost of acquired: | | |
| | 2.1 Actual cost at time of acquisition | 3,677,923 | 5,226,927 |
| | 2.2 Additional investment made after acquisition | 1,257,091 | 736,732 |
| 3. | Current year change in encumbrances | 0 | 0 |
| 4. | Total gain (loss) on disposals | 367,557 | 0 |
| 5. | Deduct amounts received on disposals | 4,684,628 | 289,944 |
| 6. | Total foreign exchange change in book/adjusted carrying value | 0 | 0 |
| 7. | Deduct current year's other than temporary impairment recognized | 0 | 0 |
| 8. | Deduct current year's depreciation | 208,687 | 258,833 |
| 9. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8) | 15,939,484 | 15,530,228 |
| 10. | Deduct total nonadmitted amounts | 0 | 0 |
| 11. | Statement value at end of current period (Line 9 minus Line 10) | 15,939,484 | 15,530,228 |

# SCHEDULE B - VERIFICATION

Mortgage Loans

| | | 1<br>Year to Date | 2<br>Prior Year Ended December 31 |
|---|---|---|---|
| 1. | Book value/recorded investment excluding accrued interest, December 31 of prior year | 51,132,233 | 53,711,833 |
| 2. | Cost of acquired: | | |
| | 2.1 Actual cost at time of acquisition | 6,673,601 | 29,193,480 |
| | 2.2 Additional investment made after acquisition | 2,982,726 | 3,131,301 |
| 3. | Capitalized deferred interest and other | 0 | 0 |
| 4. | Accrual of discount | 1,974,570 | 6,083,220 |
| 5. | Unrealized valuation increase (decrease) | 0 | 0 |
| 6. | Total gain (loss) on disposals | 0 | 0 |
| 7. | Deduct amounts received on disposals | 26,052,887 | 40,858,734 |
| 8. | Deduct amortization of premium and mortgage interest points and commitment fees | 0 | 0 |
| 9. | Total foreign exchange change in book value/recorded investment excluding accrued interest | 0 | 0 |
| 10. | Deduct current year's other than temporary impairment recognized | 242,561 | 128,867 |
| 11. | Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | 36,467,682 | 51,132,233 |
| 12. | Total valuation allowance | 0 | 0 |
| 13. | Subtotal (Line 11 plus Line 12) | 36,467,682 | 51,132,233 |
| 14. | Deduct total nonadmitted amounts | 0 | 0 |
| 15. | Statement value at end of current period (Line 13 minus Line 14) | 36,467,682 | 51,132,233 |

# SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

| | | 1<br>Year to Date | 2<br>Prior Year Ended December 31 |
|---|---|---|---|
| 1. | Book/adjusted carrying value, December 31 of prior year | 19,152,338 | 18,102,843 |
| 2. | Cost of acquired: | | |
| | 2.1 Actual cost at time of acquisition | 17,677,028 | 1,353,090 |
| | 2.2 Additional investment made after acquisition | 1,146,658 | 614,000 |
| 3. | Capitalized deferred interest and other | 0 | 0 |
| 4. | Accrual of discount | 0 | 0 |
| 5. | Unrealized valuation increase (decrease) | 511,915 | (338,933) |
| 6. | Total gain (loss) on disposals | 0 | 0 |
| 7. | Deduct amounts received on disposals | 212,000 | 578,662 |
| 8. | Deduct amortization of premium and depreciation | 0 | 0 |
| 9. | Total foreign exchange change in book/adjusted carrying value | 0 | 0 |
| 10. | Deduct current year's other than temporary impairment recognized | 0 | 0 |
| 11. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | 38,275,939 | 19,152,338 |
| 12. | Deduct total nonadmitted amounts | 291,972 | 291,972 |
| 13. | Statement value at end of current period (Line 11 minus Line 12) | 37,983,967 | 18,860,366 |

# SCHEDULE D - VERIFICATION

Bonds and Stocks

| | | 1<br>Year to Date | 2<br>Prior Year Ended December 31 |
|---|---|---|---|
| 1. | Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 160,964,915 | 140,677,468 |
| 2. | Cost of bonds and stocks acquired | 102,649,537 | 112,459,361 |
| 3. | Accrual of discount | 39,019 | 48,166 |
| 4. | Unrealized valuation increase (decrease) | (1,881,874) | 1,449,146 |
| 5. | Total gain (loss) on disposals | 440,068 | 594,965 |
| 6. | Deduct consideration for bonds and stocks disposed of | 126,476,814 | 93,092,642 |
| 7. | Deduct amortization of premium | 9,165 | 52,581 |
| 8. | Total foreign exchange change in book/adjusted carrying value | 0 | 0 |
| 9. | Deduct current year's other than temporary impairment recognized | (0) | 1,118,968 |
| 10. | Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 135,725,687 | 160,964,915 |
| 11. | Deduct total nonadmitted amounts | 0 | 0 |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | 135,725,687 | 160,964,915 |

# SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

| | 1<br>Book/Adjusted Carrying Value Beginning of Current Quarter | 2<br>Acquisitions During Current Quarter | 3<br>Dispositions During Current Quarter | 4<br>Non-Trading Activity During Current Quarter | 5<br>Book/Adjusted Carrying Value End of First Quarter | 6<br>Book/Adjusted Carrying Value End of Second Quarter | 7<br>Book/Adjusted Carrying Value End of Third Quarter | 8<br>Book/Adjusted Carrying Value December 31 Prior Year |
|---|---|---|---|---|---|---|---|---|
| BONDS | | | | | | | | |
| 1. Class 1 (a) | 108,911,185 | 1,334,565 | 9,846,414 | 13,670 | 110,657,865 | 108,911,185 | 100,413,006 | 119,579,782 |
| 2. Class 2 (a) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,045,303 |
| 3. Class 3 (a) | 2,647 | 0 | 140 | 0 | 2,817 | 2,647 | 2,506 | 2,965 |
| 4. Class 4 (a) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Class 5 (a) | 279,222 | 0 | 943 | 0 | 279,222 | 279,222 | 278,279 | 279,222 |
| 6. Class 6 (a) | 733,414 | 0 | 0 | 298,084 | 386,387 | 733,414 | 1,031,497 | 66,542 |
| 7. Total Bonds | 109,926,468 | 1,334,565 | 9,847,497 | 311,754 | 111,326,291 | 109,926,468 | 101,725,288 | 121,973,814 |
| PREFERRED STOCK | | | | | | | | |
| 8. Class 1 | 5,334,659 | 0 | 0 | 0 | 6,814,043 | 5,334,659 | 5,334,659 | 6,814,043 |
| 9. Class 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Class 3 | 4,000,000 | 0 | 0 | 0 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| 11. Class 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Class 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Class 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Total Preferred Stock | 9,334,659 | 0 | 0 | 0 | 10,814,043 | 9,334,659 | 9,334,659 | 10,814,043 |
| 15. Total Bonds and Preferred Stock | 119,261,127 | 1,334,565 | 9,847,497 | 311,754 | 122,140,334 | 119,261,127 | 111,059,947 | 132,787,857 |

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 $.....0; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

# SCHEDULE DA - PART 1

Short-Term Investments

| | 1<br>Book/Adjusted Carrying Value | 2<br>Par Value | 3<br>Actual Cost | 4<br>Interest Collected Year To Date | 5<br>Paid for Accrued Interest Year To Date |
|---|---|---|---|---|---|
| 9199999. Totals | 328,276 | XXX | 328,276 | 23 | 0 |

# SCHEDULE DA - VERIFICATION

Short-Term Investments

| | 1<br>Year to Date | 2<br>Prior Year Ended December 31 |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year | 37,491 | 4,713,345 |
| 2. Cost of short-term investments acquired | 431,262 | 6,453,944 |
| 3. Accrual of discount | 0 | 0 |
| 4. Unrealized valuation increase (decrease) | 0 | 0 |
| 5. Total gain (loss) on disposals | 0 | 0 |
| 6. Deduct consideration received on disposals | 140,477 | 11,129,798 |
| 7. Deduct amortization of premium | 0 | 0 |
| 8. Total foreign exchange change in book/adjusted carrying value | 0 | 0 |
| 9. Deduct current year's other than temporary impairment recognized | 0 | 0 |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 328,276 | 37,491 |
| 11. Deduct total nonadmitted amounts | 0 | 0 |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 328,276 | 37,491 |

# SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

| | | |
|---|---|---|
| 1. | Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year) | (11,563,320) |
| 2. | Cost paid/(consideration received) on additions | (14,240,923) |
| 3. | Unrealized valuation increase (decrease) | (85,720) |
| 4. | Total gain (loss) on termination recognized | 190,630 |
| 5. | Considerations received (paid) on terminations | (20,562,298) |
| 6. | Amortization | 0 |
| 7. | Adjustment to the Book/Adjusted Carrying Value of hedge item | (217,375) |
| 8. | Total foreign exchange change in Book/Adjusted Carrying Value | 0 |
| 9. | Book/Adjusted Carrying Value, December 31, current year (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8) | (5,354,410) |
| 10. | Deduct nonadmitted assets | 0 |
| 11. | Statement value at end of current period (Line 9 minus Line 10) | (5,354,410) |

# SCHEDULE DB - PART B - VERIFICATION

Futures Contracts

| | | | | | |
|---|---|---|---|---|---|
| 1. | Book/Adjusted Carrying Value, December 31, prior year | | | | 0 |
| 2. | Net cash deposits (Section 1, Broker Name/Net Cash Deposits footnote) | | | | 0 |
| 3.1 | Change in variation margin on open contracts | | | 1,724,052 | |
| 3.2 | Add: | | | | |
| | Change in adjustment to basis of hedged item: | | | | |
| 3.21 | Section 1, Column 17, current year to date minus | 0 | | | |
| 3.22 | Section 1, Column 17, prior year | 0 | 0 | | |
| | Change in amount recognized: | | | | |
| 3.23 | Section 1, Column 16, current year to date minus | 0 | | | |
| 3.24 | Section 1, Column 16, prior year | 0 | 0 | 0 | |
| 3.3 | Subtotal (line 3.1 minus Line 3.2) | | | | 1,724,052 |
| 4.1 | Variation margin on terminated contracts during the year | | (1,225,115) | | |
| 4.2 | Less: | | | | |
| 4.21 | Amount used to adjust basis of hedged item | 0 | | | |
| 4.22 | Amount recognized | (1,225,115) | (1,225,115) | | |
| 4.3 | Subtotal (line 4.1 minus Line 4.2) | | | | 0 |
| 5. | Dispositions gains (losses) on contracts terminated in prior year: | | | | |
| 5.1 | Recognized | | | | 0 |
| 5.2 | Used to adjust basis of hedged items | | | | 0 |
| 6. | Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2) | | | | 1,724,052 |
| 7. | Deduct nonadmitted assets | | | | 0 |
| 8. | Statement value at end of current period (Line 6 minus Line 7) | | | | 1,724,052 |

# Sch. DB-Pt C-Sn 1
# NONE

# Sch. DB-Pt C-Sn 2
# NONE

# SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

| | | Book/Adjusted Carrying Value Check | |
|---|---|---|---|
| 1. | Part A, Section 1, Column 14 | (5,354,411) | |
| 2. | Part B, Section 1, Column 14 | 1,724,052 | |
| 3. | Total (Line 1 plus Line 2) | | (3,630,358) |
| 4. | Part D, Column 5 | 10,060,073 | |
| 5. | Part D, Column 6 | (13,690,431) | |
| 6. | Total (Line 3 minus Line 4 minus Line 5) | | 0 |
| | | **Fair Value Check** | |
| 7. | Part A, Section 1, Column 16 | (5,354,411) | |
| 8. | Part B, Section 1, Column 13 | 523,052 | |
| 9. | Total (Line 7 plus Line 8) | | (4,831,358) |
| 10. | Part D, Column 8 | 9,459,573 | |
| 11. | Part D, Column 9 | (14,290,932) | |
| 12. | Total (Line 9 minus Line 10 minus Line 11) | | 0 |
| | | **Potential Exposure Check** | |
| 13. | Part A, Section 1, Column 21 | 0 | |
| 14. | Part B, Section 1, Column 19 | 316,328 | |
| 15. | Part D, Column 11 | 0 | |
| 16. | Total (Line 13 plus Line 14 minus Line 15) | | 316,328 |

# SCHEDULE E- VERIFICATION

Cash Equivalents

| | 1<br>Year to Date | 2<br>Prior Year Ended December 31 |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year | 0 | 0 |
| 2. Cost of cash equivalents acquired | 0 | 0 |
| 3. Accrual of discount | 0 | 0 |
| 4. Unrealized valuation increase (decrease) | 0 | 0 |
| 5. Total gain (loss) on disposals | 0 | 0 |
| 6. Deduct consideration received on disposals | 0 | 0 |
| 7. Deduct amortization of premium | 0 | 0 |
| 8. Total foreign exchange change in book/ adjusted carrying value | 0 | 0 |
| 9. Deduct current year's other than temporary impairment recognized | 0 | 0 |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 0 | 0 |
| 11. Deduct total nonadmitted amounts | 0 | 0 |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 0 | 0 |

**NONE**

# SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

| 1 | Location | | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| | 2 | 3 | | | | | | |
| Description of Property | City | State | Date Acquired | Name of Vendor | Actual Cost at Time of Acquisition | Amount of Encumbrances | Book/Adjusted Carrying Value Less Encumbrances | Additional Investment Made After Acquisition |
| **Acquired by Purchase** | | | | | | | | |
| 110 Danville | Lancaster | KY | | Vanhook Architectural Services | 0 | 0 | 0 | 450 |
| 110 Danville | Lancaster | KY | | Vanhook Architectural Services | 0 | 0 | 0 | 1,980 |
| Platinum Auto Wash | Dublin | OH | | Road Rust Sealing | 0 | 0 | 0 | 16,980 |
| Ebert & Wolf Enterprises, LLC | Columbus | OH | | Road Rust Sealing | 0 | 0 | 0 | 3,040 |
| 0199999. Totals | | | | | 0 | 0 | 0 | 22,450 |
| **Acquired by Internal Transfer** | | | | | | | | |
| Platinum Auto Wash | Dublin | OH | 07/01/2011 | Internal Transfer | 673,640 | 0 | 0 | 0 |
| Ebert & Wolf Enterprises, LLC | Columbus | OH | 07/01/2011 | Internal Transfer | 438,385 | 0 | 0 | 0 |
| Gatewood Gardens, LLC | Cincinnati | OH | 07/14/2011 | Internal Transfer | 141,166 | 0 | 0 | 0 |
| 0299999. Totals | | | | | 1,253,191 | 0 | 0 | 0 |
| 0399999. Totals | | | | | 1,253,191 | 0 | 0 | 22,450 |

# SCHEDULE A - PART 3

QE01

Showing all Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract "

| 1 | Location | | 4 | 5 | 6 | 7 | 8 | Change in Book/Adjusted Carrying Value Less Encumbrances | | | | | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2 | 3 | | | | | | 9 | 10 | 11 | 12 | 13 | | | | | | | |
| Description of Property | City | State | Disposal Date | Name of Purchaser | Actual Cost | Expended for Additions, Permanent Improvements and Changes in Encumbrances | Book/Adjusted Carrying Value Less Encumbrances Prior Year | Current Year's Depreciation | Current Year's Other Than Temporary Impairment Recognized | Current Year's Change in Encumbrances | Total Change in B./A.C.V. (11 - 9 - 10) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value Less Encumbrances on Disposal | Amounts Received During Year | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Gross Income Earned Less Interest Incurred on Encumbrances | Taxes, Repairs, and Expenses Incurred |
| **Property Disposed** | | | | | | | | | | | | | | | | | | | |
| MPI Covington Walk | Atlanta | GA | 07/15/2011 | PEM Investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,564 | 0 | 0 | 0 | 0 | 0 |
| LN Piedmont Village | Marietta | GA | 08/09/2011 | LN Piedmont Village | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23,641 | 0 | 0 | 0 | 0 | 0 |
| Boitano Construction Loan 1 | Bellevue | WA | 08/10/2011 | Boitano Construction Loan 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 210 | 0 | 0 | 0 | 0 | 7,405 |
| Boitano Construction Loan 2 | Bellevue | WA | 08/10/2011 | Boitano Construction Loan 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 728 | 0 | 0 | 0 | 0 | 1,467 |
| Boitano Construction Loan 3 | Bellevue | WA | 08/10/2011 | Boitano Construction Loan 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 462 | 0 | 0 | 0 | 0 | 931 |
| MPI Covington Walk | Atlanta | GA | 08/15/2011 | PEM Investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,564 | 0 | 0 | 0 | 0 | 0 |
| Corporate Point Business Park | Alpharetta | GA | 08/22/2011 | Corporate Point Business Park | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,200 | 0 | 0 | 0 | 0 | 0 |
| Boitano Construction Loan 1 | Bellevue | WA | 09/02/2011 | Bank of Washington | 101,463 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 142,068 | 0 | 40,605 | 40,605 | 0 | 0 |
| Boitano Construction Loan 2 | Bellevue | WA | 09/02/2011 | Bank of Washington | 347,811 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 486,989 | 0 | 139,178 | 139,178 | 0 | 0 |
| Boitano Construction Loan 3 | Bellevue | WA | 09/02/2011 | Bank of Washington | 218,415 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 305,769 | 0 | 87,354 | 87,354 | 0 | 0 |
| LN Piedmont Village | Marietta | GA | 09/13/2011 | CP Piedmont Village, LLC | 1,732,355 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,832,775 | 0 | 100,420 | 100,420 | 0 | 25,377 |
| North Gauley | North Gauley | WV | 09/20/2011 | EGL Resources, Inc | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 307,827 | 0 | 0 | 0 | 0 | 0 |
| MPI Covington Walk | Atlanta | GA | 09/15/2011 | PEM Investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,564 | 0 | 0 | 0 | 0 | 0 |
| 0199999. Totals | | | | | 2,400,044 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,150,361 | 0 | 367,557 | 367,557 | 0 | 35,180 |
| 0399999. Totals | | | | | 2,400,044 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,150,361 | 0 | 367,557 | 367,557 | 0 | 35,180 |

# SCHEDULE B - PART 2

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

| 1 | Location | | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| | 2 | 3 | | | | Actual Cost at Time of Acquisition | Additional Investment Made After Acquisition | Value of Land and Buildings |
| Loan Number | City | State | Loan Type | Date Acquired | Rate of Interest | | | |
| **Mortgages in Good Standing** | | | | | | | | |
| **Commercial Mortgages - All Other** | | | | | | | | |
| 024F819 | Sunman | IN | | 09/28/2011 | 4.250 | 117,597 | 0 | 665,000 |
| 024F820 | Guilford | IN | | 09/28/2011 | 6.950 | 113,502 | 0 | 624,000 |
| 0599999. Total - Mortgages in Good Standing - Commercial Mortgages - All Other | | | | XXX | XXX | 231,099 | 0 | 1,289,000 |
| 0899999. Total - Mortgages in Good Standing | | | | XXX | XXX | 231,099 | 0 | 1,289,000 |
| **Restructured Mortgages** | | | | | | | | |
| **Commercial Mortgages - All Other** | | | | | | | | |
| 024F739 | Millersville | MD | | 12/22/2009 | 3.000 | 0 | 58,362 | 7,900,000 |
| 024F804 | Daytona Beach | FL | | 09/29/2010 | 5.000 | 0 | 3,405 | 17,538,000 |
| 1399999. Total - Restructured Mortgages - Commercial Mortgages - All Other | | | | XXX | XXX | 0 | 61,767 | 25,438,000 |
| 1699999. Total - Restructured Mortgages | | | | XXX | XXX | 0 | 61,767 | 25,438,000 |
| **Mortgages with Overdue Interest over 90 Days, Not in Process of Foreclosure** | | | | | | | | |
| **Commercial Mortgages - All Other** | | | | | | | | |
| 024F609 | Phoenix | AZ | | 09/30/2009 | 4.750 | 0 | 553 | 2,510,000 |
| 024F617 | Kirkland | WA | | 12/11/2009 | 5.880 | 0 | 5,951 | 1,330,000 |
| 024F627 | Waterville | OH | | 12/14/2009 | 3.750 | 0 | 4,673 | 4,842,493 |
| 024F685 | Greensburg | PA | | 12/14/2009 | 5.750 | 0 | 269 | 305,000 |
| 024F718 | Columbus | OH | | 12/14/2009 | 4.735 | 0 | 6,377 | 4,440,000 |
| 024F741 | Ft. Pierce | FL | | 01/19/2010 | 7.490 | 0 | 208 | 1,621,943 |
| 024F742 | Perry | GA | | 02/16/2010 | 3.500 | 0 | 1,999 | 3,743,816 |
| 024F812 | Tucson | AZ | | 09/27/2011 | 6.250 | 23,770 | 0 | 67,500 |
| 024F813 | Queen Creek | AZ | | 09/27/2011 | 6.000 | 68,939 | 0 | 250,000 |
| 024F814 | Queen Creek | AZ | | 09/27/2011 | 6.000 | 57,291 | 0 | 250,000 |
| 024F815 | Kinsale | VA | | 09/28/2011 | 3.250 | 457,747 | 0 | 2,534,000 |
| 024F816 | Harrison | OH | | 09/28/2011 | 6.500 | 114,830 | 0 | 600,000 |
| 024F817 | Cincinnati | OH | | 09/28/2011 | 6.250 | 49,968 | 0 | 340,000 |
| 024F818 | Cincinnati | OH | | 09/28/2011 | 6.500 | 359,004 | 0 | 1,751,000 |
| 2199999. Total - Mortgages with Overdue Interest over 90 Days, Not in Process of Foreclosure - Commercial Mortgages - All Other | | | | XXX | XXX | 1,131,549 | 20,030 | 24,585,752 |
| 2499999. Total - Mortgages with Overdue Interest over 90 Days, Not in Process of Foreclosure | | | | XXX | XXX | 1,131,549 | 20,030 | 24,585,752 |
| **Mortgages in the Process of Foreclosure** | | | | | | | | |
| **Commercial Mortgages - All Other** | | | | | | | | |
| 024F623 | Cincinnati | OH | | 12/14/2009 | 2.949 | 0 | 150 | 2,900,000 |
| 024F660 | Columbus | OH | | 12/14/2009 | 7.750 | 0 | 584 | 1,350,000 |
| 024F664 | Columbus | OH | | 12/14/2009 | 7.480 | 0 | 689 | 2,143,000 |
| 024F730 | Vero Beach | FL | | 12/22/2009 | 3.750 | 0 | 4,957 | 1,012,500 |
| 024F755 | Malvern | PA | | 06/28/2001 | 5.000 | 0 | 3,138 | 100,000 |
| 024F763 | Lehigh Township | PA | | 06/28/2001 | 18.000 | 0 | 3,091 | 175,000 |
| 024F767 | Allentown | PA | | 06/28/2001 | 4.250 | 0 | 3,210 | 407,950 |
| 024F769 | Allentown | PA | | 06/28/2010 | 4.250 | 0 | 4,719 | 135,695 |

# SCHEDULE B - PART 2

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

| 1 | Location | | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| | 2 | 3 | | | | Actual Cost at Time of Acquisition | Additional Investment Made After Acquisition | Value of Land and Buildings |
| Loan Number | City | State | Loan Type | Date Acquired | Rate of Interest | | | |
| 024F774 | Allentown | PA | | 06/28/2010 | 4.250 | 0 | 3,168 | 128,186 |
| 024F802 | Cincinnati | OH | | 07/07/2010 | 4.000 | 0 | 2,275 | 890,000 |
| 024F803 | Phoenix | AZ | | 09/21/2010 | 5.350 | 0 | 86,461 | 6,837,211 |
| 024F809 | Corcoran | CA | | 03/31/2011 | 11.210 | 0 | 68,475 | 4,400,000 |
| 024F810 | Franklin | TN | | 04/01/2011 | 6.650 | 0 | 13,444 | 2,100,000 |
| 2999999. Total - Mortgages in the Process of Foreclosure - Commercial Mortgages - All Other | | | | XXX | XXX | 0 | 194,361 | 22,579,542 |
| 3299999. Total - Mortgages in the Process of Foreclosure | | | | XXX | XXX | 0 | 194,361 | 22,579,542 |
| 3399999. Total Mortgages | | | | XXX | XXX | 1,362,648 | 276,158 | 73,892,294 |

# SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

QE02.1

| 1 | Location | | 4 | 5 | 6 | 7 | Change in Book Value/Recorded Investment | | | | | | 14 | 15 | 16 | 17 | 18 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2 | 3 | | | | | 8 | 9 | 10 | 11 | 12 | 13 | | | | | |
| Loan Number | City | State | Loan Type | Date Acquired | Disposal Date | Book Value/ Recorded Investment Excluding Accrued Interest Prior Year | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Capitalized Deferred Interest and Other | Total Change in Book Value (8+9-10+11) | Total Foreign Exchange Change in Book Value | Book Value/ Recorded Investment Excluding Accrued Interest on Disposal | Consideration | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal |
| **Mortgages Closed by Repayment** | | | | | | | | | | | | | | | | | |
| 024F617 | Kirkland | WA | | 12/11/2009 | 08/02/2011 | 146,037 | 0 | 84,335 | 0 | 0 | 84,335 | 0 | 236,474 | 236,474 | 0 | 0 | 0 |
| 024F781 | Marcus Hook | PA | | 06/28/2010 | 08/03/2011 | 0 | 0 | 7,132 | 0 | 0 | 7,132 | 0 | 8,748 | 8,748 | 0 | 0 | 0 |
| 024F782 | Marcus Hook | PA | | 06/28/2010 | 08/03/2011 | 0 | 0 | 7,619 | 0 | 0 | 7,619 | 0 | 9,235 | 9,235 | 0 | 0 | 0 |
| 024F783 | Marcus Hook | PA | | 06/28/2010 | 08/03/2011 | 0 | 0 | 8,358 | 0 | 0 | 8,358 | 0 | 9,974 | 9,974 | 0 | 0 | 0 |
| 024F784 | Marcus Hook | PA | | 06/28/2010 | 08/03/2011 | 0 | 0 | 7,605 | 0 | 0 | 7,605 | 0 | 9,221 | 9,221 | 0 | 0 | 0 |
| 024F787 | Chester | PA | | 06/28/2010 | 08/03/2011 | 0 | 0 | 8,769 | 0 | 0 | 8,769 | 0 | 10,385 | 10,385 | 0 | 0 | 0 |
| 024F789 | Marcus Hook | PA | | 06/28/2010 | 08/03/2011 | 0 | 0 | 7,287 | 0 | 0 | 7,287 | 0 | 8,903 | 8,903 | 0 | 0 | 0 |
| 024F572 | Graford | TX | | 05/23/2007 | 08/10/2011 | 973,942 | 0 | 0 | 0 | 0 | 0 | 0 | 973,941 | 973,941 | 0 | 0 | 0 |
| 024F570 | Brentwood | TN | | 11/10/2006 | 08/16/2011 | 1,167,501 | 0 | 0 | 0 | 0 | 0 | 0 | 1,085,280 | 1,085,280 | 0 | 0 | 0 |
| 024F729 | Hobe Sound and Stuart | FL | | 12/22/2009 | 09/02/2011 | 200,532 | 0 | 47,130 | 0 | 0 | 47,130 | 0 | 247,662 | 247,662 | 0 | 0 | 0 |
| 0199999. Total - Mortgages Closed by Repayment | | | | | | 2,488,012 | 0 | 178,235 | 0 | 0 | 178,235 | 0 | 2,599,823 | 2,599,823 | 0 | 0 | 0 |
| **Mortgages With Partial Repayments** | | | | | | | | | | | | | | | | | |
| 024F570 | Brentwood | TN | | 11/10/2006 | | 1,167,501 | 0 | 0 | 0 | 0 | 0 | 0 | 12,028 | 12,028 | 0 | 0 | 0 |
| 024F574 | Dallas | TX | | 05/29/2007 | | 1,649,267 | 0 | 0 | 0 | 0 | 0 | 0 | 22,455 | 22,455 | 0 | 0 | 0 |
| 024F575 | Dallas | TX | | 06/07/2007 | | 1,618,847 | 0 | 0 | 0 | 0 | 0 | 0 | 45,155 | 45,155 | 0 | 0 | 0 |
| 024F581 | Monticello | KY | | 08/01/2007 | | 54,091 | 0 | 0 | 0 | 0 | 0 | 0 | 530 | 530 | 0 | 0 | 0 |
| 024F585 | Livingston | TX | | 08/10/2007 | | 110,085 | 0 | 0 | 0 | 0 | 0 | 0 | 333 | 333 | 0 | 0 | 0 |
| 024F587 | Monticello | KY | | 08/15/2007 | | 68,506 | 0 | 0 | 0 | 0 | 0 | 0 | 553 | 553 | 0 | 0 | 0 |
| 024F588 | Somerset | KY | | 08/14/2007 | | 88,742 | 0 | 0 | 0 | 0 | 0 | 0 | 1,141 | 1,141 | 0 | 0 | 0 |
| 024F600 | Berea | KY | | 10/30/2007 | | 711,616 | 0 | 0 | 0 | 0 | 0 | 0 | 5,634 | 5,634 | 0 | 0 | 0 |

# SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

| 1 | Location | | 4 | 5 | 6 | 7 | Change in Book Value/Recorded Investment | | | | | | 14 | 15 | 16 | 17 | 18 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2 | 3 | | | | | 8 | 9 | 10 | 11 | 12 | 13 | | | | | |
| Loan Number | City | State | Loan Type | Date Acquired | Disposal Date | Book Value/ Recorded Investment Excluding Accrued Interest Prior Year | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Capitalized Deferred Interest and Other | Total Change in Book Value (8+9-10+11) | Total Foreign Exchange Change in Book Value | Book Value/ Recorded Investment Excluding Accrued Interest on Disposal | Consideration | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal |
| 024F603 | Nicholasville | KY | | 02/19/2008 | | 841,687 | 0 | 0 | 0 | 0 | 0 | 0 | 14,575 | 14,575 | 0 | 0 | 0 |
| 024F606 | Huntington | WV | | 06/17/2008 | | 2,198,921 | 0 | 0 | 0 | 0 | 0 | 0 | 60,929 | 60,929 | 0 | 0 | 0 |
| 024F609 | Phoenix | AZ | | 09/30/2009 | | 274,918 | 0 | 0 | 0 | 0 | 0 | 0 | 229,452 | 229,452 | 0 | 0 | 0 |
| 024F613 | Louisville | KY | | 10/08/2008 | | 569,993 | 0 | 0 | 0 | 0 | 0 | 0 | 735 | 735 | 0 | 0 | 0 |
| 024F619 | Lake Elsinore | CA | | 12/11/2009 | | 318,555 | 0 | 0 | 0 | 0 | 0 | 0 | 3,597 | 3,597 | 0 | 0 | 0 |
| 024F620 | Oakland | CA | | 12/11/2009 | | 530,778 | 0 | 0 | 0 | 0 | 0 | 0 | 5,847 | 5,847 | 0 | 0 | 0 |
| 024F624 | Wheeling | WV | | 12/14/2009 | | 0 | 0 | 402 | 0 | 0 | 402 | 0 | 402 | 402 | 0 | 0 | 0 |
| 024F625 | Waterville | OH | | 12/14/2009 | | 151,259 | 0 | 0 | 0 | 0 | 0 | 0 | 100,000 | 100,000 | 0 | 0 | 0 |
| 024F626 | Waterville | OH | | 12/14/2009 | | 401,121 | 0 | 0 | 0 | 0 | 0 | 0 | 175,327 | 175,327 | 0 | 0 | 0 |
| 024F627 | Waterville | OH | | 12/14/2009 | | 203,734 | 0 | 0 | 0 | 0 | 0 | 0 | 154,673 | 154,673 | 0 | 0 | 0 |
| 024F630 | Wickliff | OH | | 12/14/2009 | | 4,566 | 0 | 0 | 0 | 0 | 0 | 0 | 1,524 | 1,524 | 0 | 0 | 0 |
| 024F664 | Columbus | OH | | 12/14/2009 | | 511,741 | 0 | 0 | 0 | 0 | 0 | 0 | 1,200 | 1,200 | 0 | 0 | 0 |
| 024F734 | St. Paul | MN | | 12/28/2009 | | 1,690,145 | 0 | 0 | 0 | 0 | 0 | 0 | 12,468 | 12,468 | 0 | 0 | 0 |
| 024F736 | Woodlawn | MD | | 12/28/2009 | | 644,947 | 0 | 0 | 0 | 0 | 0 | 0 | 4,802 | 4,802 | 0 | 0 | 0 |
| 024F737 | Birmingham | AL | | 12/28/2009 | | 850,118 | 0 | 0 | 0 | 0 | 0 | 0 | 6,188 | 6,188 | 0 | 0 | 0 |
| 024F738 | Brunswick County | NC | | 12/28/2009 | | 1,125,977 | 0 | 0 | 0 | 0 | 0 | 0 | 46,849 | 46,849 | 0 | 0 | 0 |
| 024F742 | Perry | GA | | 02/16/2010 | | 1,441,281 | 0 | 0 | 0 | 0 | 0 | 0 | 315,735 | 315,735 | 0 | 0 | 0 |
| 024F748 | Lancaster | KY | | 03/12/2010 | | 1,736,452 | 0 | 0 | 0 | 0 | 0 | 0 | 10,485 | 10,485 | 0 | 0 | 0 |
| 024F755 | Malvern | PA | | 06/28/2010 | | 14,140 | 0 | 0 | 0 | 0 | 0 | 0 | 4,656 | 4,656 | 0 | 0 | 0 |
| 024F760 | Phoenixville | PA | | 06/28/2010 | | 155,070 | 0 | 0 | 0 | 0 | 0 | 0 | 6,452 | 6,452 | 0 | 0 | 0 |
| 024F762 | Allentown | PA | | 06/28/2010 | | 24,510 | 0 | 0 | 0 | 0 | 0 | 0 | 690 | 690 | 0 | 0 | 0 |
| 024F775 | Douglasville | PA | | 06/28/2010 | | 43,689 | 0 | 0 | 0 | 0 | 0 | 0 | 2,241 | 2,241 | 0 | 0 | 0 |
| 024F777 | Amity | PA | | 06/28/2010 | | 91,310 | 0 | 0 | 0 | 0 | 0 | 0 | 2,873 | 2,873 | 0 | 0 | 0 |
| 024F778 | Amity | PA | | 06/28/2010 | | 60,199 | 0 | 0 | 0 | 0 | 0 | 0 | 1,151 | 1,151 | 0 | 0 | 0 |
| 024F779 | Douglasville | PA | | 06/28/2010 | | 46,344 | 0 | 0 | 0 | 0 | 0 | 0 | 12,790 | 12,790 | 0 | 0 | 0 |
| 024F780 | Douglasville | PA | | 06/28/2010 | | 56,526 | 0 | 0 | 0 | 0 | 0 | 0 | 51,351 | 51,351 | 0 | 0 | 0 |
| 024F791 | Emmaus | PA | | 06/28/2010 | | 11,825 | 0 | 0 | 0 | 0 | 0 | 0 | 211 | 211 | 0 | 0 | 0 |
| 024F793 | Emmaus | PA | | 06/28/2010 | | 15,703 | 0 | 0 | 0 | 0 | 0 | 0 | 1,378 | 1,378 | 0 | 0 | 0 |
| 024F797 | Philadelphia | PA | | 06/28/2010 | | 135,110 | 0 | 0 | 0 | 0 | 0 | 0 | 11,552 | 11,552 | 0 | 0 | 0 |
| 024F798 | Philadelphia | PA | | 06/28/2010 | | 201,625 | 0 | 0 | 0 | 0 | 0 | 0 | 14,894 | 14,894 | 0 | 0 | 0 |
| 024F799 | Philadelphia | PA | | 06/28/2010 | | 185,975 | 0 | 0 | 0 | 0 | 0 | 0 | 14,152 | 14,152 | 0 | 0 | 0 |
| 024F802 | Cincinnati | OH | | 07/07/2010 | | 80,612 | 0 | 0 | 0 | 0 | 0 | 0 | 2,500 | 2,500 | 0 | 0 | 0 |
| 0299999. Total - Mortgages With Partial Repayments | | | | | | 20,087,486 | 0 | 402 | 0 | 0 | 402 | 0 | 1,359,508 | 1,359,508 | 0 | 0 | 0 |
| **Mortgages Transferred** | | | | | | | | | | | | | | | | | |
| 024F664 | Columbus | OH | | 12/14/2009 | 07/01/2011 | 511,741 | 0 | 0 | 0 | 0 | 0 | 0 | 673,640 | 673,640 | 0 | 0 | 0 |
| 024F660 | Columbus | OH | | 12/14/2009 | 07/01/2011 | 388,788 | 0 | 0 | 0 | 0 | 0 | 0 | 438,385 | 438,385 | 0 | 0 | 0 |
| 024F623 | Cincinnati | OH | | 12/14/2009 | 07/14/2011 | 136,568 | 0 | 0 | 0 | 0 | 0 | 0 | 141,166 | 141,166 | 0 | 0 | 0 |
| 024F739 | Millersville | MD | | 12/22/2009 | 07/28/2011 | 1,159,114 | 0 | 0 | 0 | 0 | 0 | 0 | 1,252,237 | 1,252,237 | 0 | 0 | 0 |

# SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

| 1 | Location | | 4 | 5 | 6 | 7 | Change in Book Value/Recorded Investment | | | | | | 14 | 15 | 16 | 17 | 18 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2 | 3 | | | | | 8 | 9 | 10 | 11 | 12 | 13 | | | | | |
| Loan Number | City | State | Loan Type | Date Acquired | Disposal Date | Book Value/ Recorded Investment Excluding Accrued Interest Prior Year | Unrealized Valuation Increase (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Capitalized Deferred Interest and Other | Total Change in Book Value (8+9-10+11) | Total Foreign Exchange Change in Book Value | Book Value/ Recorded Investment Excluding Accrued Interest on Disposal | Consideration | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal |
| 024F811 | Decatur | GA | | 05/13/2011 | 07/08/2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 341,000 | 341,000 | 0 | 0 | 0 |
| 0499999. Total - Mortgages Transferred | | | | | | 2,196,211 | 0 | 0 | 0 | 0 | 0 | 0 | 2,846,428 | 2,846,428 | 0 | 0 | 0 |
| 0599999. Total Mortgages | | | | | | 24,771,709 | 0 | 178,637 | 0 | 0 | 178,637 | 0 | 6,805,759 | 6,805,759 | 0 | 0 | 0 |

# SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

| 1 | 2 | Location | | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 3 | 4 | | | | | Actual | Additional | | Commitment | |
| CUSIP Identification | Name or Description | City | State | Name of Vendor or General Partner | NAIC Desig-nation | Date Originally Acquired | Type and Strategy | Cost at Time of Acquisition | Investment Made After Acquisition | Amount of Encumbrances | for Additional Investment | Percentage of Ownership |
| **Oil and Gas Production Payments - Unaffiliated** | | | | | | | | | | | | |
| | SFF Royalty, LLC | Abilene | TX | Transfer from common stock | | 09/30/2011 | 0 | 800,071 | 0 | 0 | 0 | 17.9 |
| 0199999. Total - Oil and Gas Production Payments - Unaffiliated | | | | | | | | 800,071 | 0 | 0 | 0 | XXX |
| **Mineral Rights - Unaffiliated** | | | | | | | | | | | | |
| | Marcellus III, LLP | North Gauley | WV | EGL Resources, LLC | | 06/30/2011 | 0 | 0 | 159,375 | 0 | 0 | 0.0 |
| 0599999. Total - Mineral Rights - Unaffiliated | | | | | | | | 0 | 159,375 | 0 | 0 | XXX |
| **Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated** | | | | | | | | | | | | |
| | UG Acquisitions, LLC | Scottsdale | AZ | PEM/FSF Acquisition Fund I, LLC | | 08/01/2011 | 0 | 341,000 | 143,422 | 0 | 0 | 10.0 |
| | UTG Avalon, LLC | St. Lucie County | FL | UTG Avalon, LLC | | 08/04/2011 | 0 | 0 | 116,655 | 0 | 0 | 33.3 |
| 1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated | | | | | | | | 341,000 | 260,077 | 0 | 0 | XXX |
| **Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Affiliated** | | | | | | | | | | | | |
| | Collier Beach, LLC | Hilton Head | SC | Collier Beach, LLC | | 07/13/2011 | 0 | 0 | 141,013 | 0 | 0 | 100.0 |
| | Collier Beach, LLC | Hilton Head | SC | Collier Beach, LLC | | 08/18/2011 | 0 | 0 | 88,101 | 0 | 0 | 100.0 |
| | Collier Beach, LLC | Hilton Head | SC | Collier Beach, LLC | | 09/23/2011 | 0 | 0 | 110,997 | 0 | 0 | 100.0 |
| | SP Retail, LLC | Saverna Park | MD | Mortgage loan foreclosure | | 07/28/2011 | 0 | 1,252,237 | 0 | 0 | 0 | 80.0 |
| 1899999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Affiliated | | | | | | | | 1,252,237 | 340,111 | 0 | 0 | XXX |
| **Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated** | | | | | | | | | | | | |
| | Llano Music, LLC | Nashville | TN | Llano Music, LLC | | 09/22/2010 | 0 | 0 | 56,000 | 0 | 0 | 20.0 |
| 1999999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated | | | | | | | | 0 | 56,000 | 0 | 0 | XXX |
| 3999999. Subtotal - Unaffiliated | | | | | | | | 1,141,071 | 475,452 | 0 | 0 | XXX |
| 4099999. Subtotal - Affiliated | | | | | | | | 1,252,237 | 340,111 | 0 | 0 | XXX |
| 4199999. Totals | | | | | | | | 2,393,308 | 815,563 | 0 | 0 | XXX |

QE03

# SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

| 1 | 2 | Location | | 5 | 6 | 7 | 8 | Changes in Book/Adjusted Carrying Value | | | | | | 15 | 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 3 | 4 | | | | | 9 | 10 | 11 | 12 | 13 | 14 | | | | | | |
| CUSIP Identification | Name or Description | City | State | Name of Purchaser or Nature of Disposal | Date Originally Acquired | Disposal Date | Book/Adjusted Carrying Value Less Encumbrances, Prior Year | Unrealized Valuation Increase (Decrease) | Current Year's (Depreciation) or (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Capitalized Deferred Interest and Other | Total Change in B./A.C.V (9+10-11+12) | Total Foreign Exchange Change in B./A.C.V. | Book/Adjusted Carrying Value Less Encumbrances on Disposal | Consideration | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Investment Income |
| **Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated** | | | | | | | | | | | | | | | | | | | |
| | Resource Land Fund III, LLC | Colorado Springs | CO | Resource Land Holdings, LLC | 01/19/2006 | | 2,038,812 | 3,489 | 0 | 0 | 0 | 3,489 | 0 | 52,000 | 52,000 | 0 | 0 | 0 | 0 |
| 1799999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated | | | | | | | 2,038,812 | 3,489 | 0 | 0 | 0 | 3,489 | 0 | 52,000 | 52,000 | 0 | 0 | 0 | 0 |
| 3999999. Subtotal - Unaffiliated | | | | | | | 2,038,812 | 3,489 | 0 | 0 | 0 | 3,489 | 0 | 52,000 | 52,000 | 0 | 0 | 0 | 0 |
| 4199999. Totals | | | | | | | 2,038,812 | 3,489 | 0 | 0 | 0 | 3,489 | 0 | 52,000 | 52,000 | 0 | 0 | 0 | 0 |

# SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

| 1<br>CUSIP Identification | 2<br>Description | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Number of Shares of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for Accrued Interest and Dividends | 10<br>NAIC Designation or Market Indicator (a) |
|---|---|---|---|---|---|---|---|---|---|
| **Bonds - Industrial and Miscellaneous** | | | | | | | | | |
| 464287 43 2 | iSHARES Barclay 20 + Year | | 09/09/2011 | Goldman Sachs | | 1,215,680 | 0 | 0 | 1 |
| 3899999. | Total - Bonds - Industrial & Miscellaneous | | | | | 1,215,680 | 0 | 0 | XXX |
| 8399997. | Total - Bonds - Part 3 | | | | | 1,215,680 | 0 | 0 | XXX |
| 8399999. | Total - Bonds | | | | | 1,215,680 | 0 | 0 | XXX |
| **Common Stocks - Industrial and Miscellaneous** | | | | | | | | | |
| 023477 30 0 | AMEN PPTYS Inc | | 08/05/2011 | HILLIARD LYONS, INC | 1.000 | 462 | XXX | 0 | A |
| 22542D 79 5 | Velocityshares | | 07/29/2011 | Goldman Sachs | 67,000.000 | 1,154,589 | XXX | 0 | A |
| 25154K 80 9 | Deutsche BK AG London | | 09/13/2011 | Goldman Sachs | 1,500.000 | 90,050 | XXX | 0 | A |
| 742718 10 9 | The Procter & Gamble Company | | 07/07/2011 | Goldman Sachs | 1,200.000 | 76,584 | XXX | 0 | L |
| 91232N 10 8 | United States Oil Fund LP | | 08/09/2011 | Goldman Sachs | 10,000.000 | 345,950 | XXX | 0 | A |
| 9099999. | Total - Common Stocks - Industrial & Miscellaneous | | | | | 1,667,635 | XXX | 0 | XXX |
| **Common Stocks - Parent, Subsidiaries and Affiliates** | | | | | | | | | |
| 85440# 10 5 | Stanford Wilderness Road, LLC | | 07/18/2011 | CAPITAL INFUSION | 0.000 | 200,000 | XXX | 0 | A |
| 9199999. | Total - Common Stocks - Parent, Subsidiaries and Affiliates | | | | | 200,000 | XXX | 0 | XXX |
| 9799997. | Total - Common Stocks - Part 3 | | | | | 1,867,635 | XXX | 0 | XXX |
| 9799999. | Total - Common Stocks | | | | | 1,867,635 | XXX | 0 | XXX |
| 9899999. | Total - Preferred and Common Stocks | | | | | 1,867,635 | XXX | 0 | XXX |
| 9999999. | Total - Bonds, Preferred and Common Stocks | | | | | 3,083,315 | XXX | 0 | XXX |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 0.

# SCHEDULE D - PART 4

## Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identification | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value At Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/ Stock Dividends Received During Year | Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| **Bonds - U.S. Political Subdivisions of States, Territories and Possessions** | | | | | | | | | | | | | | | | | | | | | |
| 49130P P4 0 | Kentucky Hsg Corp Hsg Rev | | 07/01/2011 | CALLED @ 100.0000000 | | 40,000 | 40,000 | 40,000 | 40,000 | 0 | 0 | 0 | 0 | 0 | 40,000 | 0 | 0 | 0 | 2,428 | 01/01/2037 | 1FE |
| 2499999. | Total - Bonds - U.S. Political Subdivisions of States, Territories & Possessions | | | | | 40,000 | 40,000 | 40,000 | 40,000 | 0 | 0 | 0 | 0 | 0 | 40,000 | 0 | 0 | 0 | 2,428 | XXX | XXX |
| **Bonds - U.S. Special Revenue and Special Assessment** | | | | | | | | | | | | | | | | | | | | | |
| 31393P LN 2 | FHLMC CMO 2602 WB | | 09/15/2011 | PRINCIPAL RECEIPT | | 1,112,744 | 1,112,744 | 1,145,793 | 1,113,234 | 0 | (490) | 0 | (490) | 0 | 1,112,744 | 0 | 0 | 0 | 37,066 | 09/15/2016 | 1 |
| 31394H FX 4 | FHLMC CMO 2660 PC | | 09/15/2011 | PRINCIPAL RECEIPT | | 391,719 | 391,719 | 394,901 | 391,416 | 0 | 303 | 0 | 303 | 0 | 391,719 | 0 | 0 | 0 | 13,229 | 10/15/2028 | 1 |
| 31394H P3 9 | FHLMC CMO 2663 MD | | 09/15/2011 | PRINCIPAL RECEIPT | | 233,044 | 233,044 | 231,478 | 232,442 | 0 | 602 | 0 | 602 | 0 | 233,044 | 0 | 0 | 0 | 7,752 | 09/15/2017 | 1 |
| 31394L F4 9 | FHLMC CMO 2691 OE | | 09/15/2011 | PRINCIPAL RECEIPT | | 1,433,593 | 1,433,593 | 1,435,385 | 1,431,304 | 0 | 2,289 | 0 | 2,289 | 0 | 1,433,593 | 0 | 0 | 0 | 47,209 | 09/15/2028 | 1 |
| 31340Y DB 2 | FHLMC CMO SER 12 CLASS 12-A | | 09/06/2011 | PRINCIPAL RECEIPT | | 140 | 140 | 146 | 140 | 0 | 0 | 0 | 0 | 0 | 140 | 0 | 0 | 0 | 8 | 11/15/2019 | 3 |
| 31360F CN 3 | FNMA 4577 | | 09/25/2011 | PRINCIPAL RECEIPT | | 667 | 667 | 689 | 679 | 0 | (12) | 0 | (12) | 0 | 667 | 0 | 0 | 0 | 21 | 10/01/2023 | 1 |
| 3199999. | Total - Bonds - U.S. Special Revenue & Assessment | | | | | 3,171,907 | 3,171,908 | 3,208,392 | 3,169,215 | 0 | 2,692 | 0 | 2,692 | 0 | 3,171,907 | 0 | 0 | 0 | 105,285 | XXX | XXX |
| **Bonds - Industrial and Miscellaneous** | | | | | | | | | | | | | | | | | | | | | |
| 464287 43 2 | iSHARES Barclay 20 + Year | | 08/31/2011 | Goldman Sachs | | 1,266,371 | 0 | 0 | 1,192,525 | 0 | 0 | 0 | 0 | 0 | 1,192,525 | 0 | 73,846 | 73,846 | 4,325 | | 1 |
| 464288 51 3 | iSHARES Iboxx $ High Yield | | 08/09/2011 | Goldman Sachs | | 5,339,822 | 0 | 1,398,724 | 4,039,895 | 0 | 0 | 0 | 0 | 0 | 5,438,619 | 0 | (98,797) | (98,797) | 0 | | 1 |
| 740408 AC 3 | Preferred Term Secs LTD/PFD RESTR | | 09/15/2011 | VARIOUS | | 1,631 | 1,631 | 943 | 943 | 0 | 0 | 0 | 0 | 0 | 943 | 0 | 689 | 689 | 87 | 09/15/2030 | 5FE |
| 3899999. | Total - Bonds - Industrial & Miscellaneous | | | | | 6,607,824 | 1,631 | 1,399,667 | 5,233,363 | 0 | 0 | 0 | 0 | 0 | 6,632,087 | 0 | (24,262) | (24,262) | 4,412 | XXX | XXX |
| 8399997. | Total - Bonds - Part 4 | | | | | 9,819,731 | 3,213,539 | 4,648,059 | 8,442,578 | 0 | 2,692 | 0 | 2,692 | 0 | 9,843,994 | 0 | (24,262) | (24,262) | 112,125 | XXX | XXX |
| 8399999. | Total - Bonds | | | | | 9,819,731 | 3,213,539 | 4,648,059 | 8,442,578 | 0 | 2,692 | 0 | 2,692 | 0 | 9,843,994 | 0 | (24,262) | (24,262) | 112,125 | XXX | XXX |
| **Common Stocks - Industrial and Miscellaneous** | | | | | | | | | | | | | | | | | | | | | |
| SFFROY AL 5 | SFF Royalty, LLC | | 09/30/2011 | VARIOUS | 17.790 | 1,075,797 | XXX | 1,075,797 | 1,075,797 | 0 | 0 | 0 | 0 | 0 | 1,075,797 | 0 | 0 | 0 | 0 | XXX | A |
| 00119P 10 2 | Nicholas Applegate Eqt Conv Fd | | 08/24/2011 | Goldman Sachs | 2,000.000 | 32,199 | XXX | 0 | 30,030 | 6,390 | 0 | 0 | 6,390 | 0 | 30,030 | 0 | 2,169 | 2,169 | 0 | XXX | A |
| 035710 40 9 | Annaly Capital Management Inc | | 09/07/2011 | Goldman Sachs | 1,000.000 | 17,440 | XXX | 0 | 17,960 | (40) | 0 | 0 | (40) | 0 | 17,960 | 0 | (520) | (520) | 0 | XXX | L |
| 037347 10 1 | Anworth Mortgage Asset Corp | | 09/07/2011 | Goldman Sachs | 11,000.000 | 74,838 | XXX | 0 | 86,845 | (9,845) | 0 | 0 | (9,845) | 0 | 86,845 | 0 | (12,007) | (12,007) | 0 | XXX | L |
| 14067E 50 6 | Capstead Mtg Corp | | 09/16/2011 | Goldman Sachs | 32,400.000 | 414,062 | XXX | 0 | 410,067 | (2,151) | 0 | 0 | (2,151) | 0 | 410,067 | 0 | 3,996 | 3,996 | 0 | XXX | L |
| 17275R 10 2 | Cisco Systems Inc | | 08/24/2011 | Goldman Sachs | 35,300.000 | 504,205 | XXX | 574,834 | 81,620 | (700) | 0 | 0 | (700) | 0 | 656,454 | 0 | (152,249) | (152,249) | 0 | XXX | L |
| 25154K 80 9 | Deutsche BK AG London | | 09/26/2011 | Goldman Sachs | 5,500.000 | 341,432 | XXX | 261,642 | 28,180 | 6,466 | 0 | 0 | 6,466 | 0 | 289,822 | 0 | 51,611 | 51,611 | 0 | XXX | A |
| 29273R 10 9 | Energy Transfer Partners | | 08/24/2011 | Goldman Sachs | 2,000.000 | 86,218 | XXX | 99,479 | 0 | 0 | 0 | 0 | 0 | 0 | 99,479 | 0 | (13,261) | (13,261) | 0 | XXX | A |
| 45841N 10 7 | Interactive Brokers | | 08/24/2011 | Goldman Sachs | 1,000.000 | 14,980 | XXX | 15,875 | 0 | 0 | 0 | 0 | 0 | 0 | 15,875 | 0 | (895) | (895) | 0 | XXX | L |
| 46625H 10 0 | J.P. Morgan Chase | | 08/24/2011 | Goldman Sachs | 7,500.000 | 266,245 | XXX | 335,971 | 0 | 0 | 0 | 0 | 0 | 0 | 335,971 | 0 | (69,726) | (69,726) | 0 | XXX | L |
| 46625H 36 5 | JP Morgan Chase | | 08/24/2011 | Goldman Sachs | 10,000.000 | 336,744 | XXX | 0 | 359,429 | 4,072 | 0 | 0 | 4,072 | 0 | 359,429 | 0 | (22,685) | (22,685) | 0 | XXX | A |
| 626717 10 2 | Murphy Oil Corporation | | 08/24/2011 | Goldman Sachs | 3,000.000 | 147,627 | XXX | 215,066 | 0 | 0 | 0 | 0 | 0 | 0 | 215,066 | 0 | (67,439) | (67,439) | 0 | XXX | L |
| 674599 10 5 | Occidental Petrooleum Corp | | 08/24/2011 | Goldman Sachs | 3,000.000 | 247,040 | XXX | 305,967 | 0 | 21,360 | 0 | 0 | 21,360 | 0 | 305,967 | 0 | (58,926) | (58,926) | 0 | XXX | L |
| 73936T 55 7 | Powershares Global Exchange | | 08/24/2011 | Goldman Sachs | 4,600.000 | 82,067 | XXX | 0 | 81,869 | 0 | 0 | 0 | 0 | 0 | 81,869 | 0 | 198 | 198 | 0 | XXX | A |
| 78462F 10 3 | AMEX S & P Depositary Receipts | | 08/24/2011 | Goldman Sachs | 1,498.000 | 174,196 | XXX | 73,472 | 96,364 | 0 | 0 | 0 | 0 | 0 | 169,836 | 0 | 4,360 | 4,360 | 0 | XXX | L |
| 78464A 41 7 | SPDR Series Trust | | 08/09/2011 | Goldman Sachs | 89,937.000 | 3,319,880 | XXX | 39,610 | 3,439,441 | 0 | 0 | 0 | 0 | 0 | 3,479,051 | 0 | (159,171) | (159,171) | 0 | XXX | A |
| 9099999. | Total - Common Stocks - Industrial & Miscellaneous | | | | | 7,134,971 | XXX | 2,997,713 | 5,707,601 | 25,552 | 0 | 0 | 25,552 | 0 | 7,629,516 | 0 | (494,546) | (494,546) | 0 | XXX | XXX |

# SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identification | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value At Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/ Stock Dividends Received During Year | Maturity Date | NAIC Desig-nation or Market Indicator (a) |
| 9799997 | Total - Common Stocks - Part 4 | | | | XXX | 7,134,971 | XXX | 2,997,713 | 5,707,601 | 25,552 | 0 | 0 | 25,552 | 0 | 7,629,516 | 0 | (494,546) | (494,546) | 0 | XXX | XXX |
| 9799999. | Total - Common Stocks | | | | XXX | 7,134,971 | XXX | 2,997,713 | 5,707,601 | 25,552 | 0 | 0 | 25,552 | 0 | 7,629,516 | 0 | (494,546) | (494,546) | 0 | XXX | XXX |
| 9899999. | Total - Preferred and Common Stocks | | | | XXX | 7,134,971 | XXX | 2,997,713 | 5,707,601 | 25,552 | 0 | 0 | 25,552 | 0 | 7,629,516 | 0 | (494,546) | (494,546) | 0 | XXX | XXX |
| 9999999. | Total - Bonds, Preferred and Common Stocks | | | | XXX | 16,954,702 | XXX | 7,645,772 | 14,150,179 | 25,552 | 2,692 | 0 | 28,244 | 0 | 17,473,510 | 0 | (518,808) | (518,808) | 112,125 | XXX | XXX |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 0.

# SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

| 1<br>Description | 2<br>Description of Items Hedged or Used for Income Generation | 3<br>Schedule /Exhibit Identifier | 4<br>Type(s) of Risk | 5<br>Exchange or Counterparty | 6<br>Trade Date | 7<br>Date of Maturity or Expiration | 8<br>Number of Contracts | 9<br>Notional Amount | 10<br>Strike Price, Rate of Indexed Received (Paid) | 11<br>Prior Year Initial Cost of Premium (Received) Paid | 12<br>Current Year Initial Cost of Premium (Received) Paid | 13<br>Current Year Income | 14<br>Book/ Adjusted Carrying Value | 15<br>Code | 16<br>Fair Value | 17<br>Unrealized Valuation Increase (Decrease) | 18<br>Total Foreign Exchange Change in B./A.C.V. | 19<br>Current Year's (Amortization) Accretion | 20<br>Adjustment to Carrying Value of Hedged Items | 21<br>Potential Exposure | 22<br>Credit Quality of Reference Entity | 23<br>Hedge Effectiveness at Inception and at Quarter-end (a) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Purchased Options - Other - Call Options and Warrants** | | | | | | | | | | | | | | | | | | | | | | |
| TLT | | N/A | | CBOE | 03/23/2011 | 01/21/2012 | 100 | 950,000 | 95 | 0 | 29,089 | 0 | 260,000 | | 260,000 | 230,911 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0299999. Total-Purchased Options-Other-Call Options and Warrants | | | | | | | | | | 0 | 29,089 | 0 | 260,000 | XXX | 260,000 | 230,911 | 0 | 0 | 0 | 0 | XXX | XXX |
| **Purchased Options - Other - Put Options** | | | | | | | | | | | | | | | | | | | | | | |
| GLD | | N/A | | CBOE | 09/22/2010 | 01/21/2012 | 100 | 1,100,000 | 110 | 65,089 | 0 | 0 | 8,250 | | 8,250 | (20,950) | 0 | 0 | 0 | 0 | 0 | 0 |
| SPY | | N/A | | CBOE | 06/23/2011 | 12/17/2011 | 250 | 2,900,000 | 116.00 | 0 | 92,388 | 0 | 229,500 | | 229,500 | 137,113 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPY | | N/A | | CBOE | 07/15/2011 | 12/17/2011 | 68 | 816,000 | 120.00 | 0 | 22,790 | 0 | 78,438 | | 78,438 | 55,648 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPY | | N/A | | CBOE | 07/15/2011 | 12/17/2011 | 14 | 175,000 | 125.00 | 0 | 6,464 | 0 | 20,860 | | 20,860 | 14,396 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPY | | N/A | | CBOE | 07/15/2011 | 12/17/2011 | 33 | 425,700 | 129.00 | 0 | 20,267 | 0 | 59,648 | | 59,648 | 39,381 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPY | | N/A | | CBOE | 08/04/2011 | 03/17/2012 | 138 | 1,794,000 | 130.00 | 0 | 121,654 | 0 | 290,145 | | 290,145 | 168,491 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPY | | N/A | | CBOE | 07/15/2011 | 12/17/2011 | 37 | 481,000 | 130.00 | 0 | 23,353 | 0 | 69,986 | | 69,986 | 46,633 | 0 | 0 | 0 | 0 | 0 | 0 |
| USO | | N/A | | CBOE | 09/22/2010 | 01/21/2012 | 200 | 500,000 | 25 | 42,069 | 0 | 0 | 26,400 | | 26,400 | 12,300 | 0 | 0 | 0 | 0 | 0 | 0 |
| USO | | N/A | | CBOE | 01/28/2011 | 01/19/2013 | 500 | 1,250,000 | 25 | 105,407 | 19,503 | 0 | 168,750 | | 168,750 | 85,647 | 0 | 0 | 0 | 0 | 0 | 0 |
| USO | | N/A | | CBOE | 02/11/2011 | 01/19/2013 | 7 | 24,500 | 35.00 | 0 | 3,648 | 0 | 5,985 | | 5,985 | 2,337 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0309999. Total-Purchased Options-Other-Put Options | | | | | | | | | | 212,565 | 310,067 | 0 | 957,961 | XXX | 957,961 | 540,994 | 0 | 0 | 0 | 0 | XXX | XXX |
| 0359999. Total-Purchased Options-Other | | | | | | | | | | 212,565 | 339,156 | 0 | 1,217,961 | XXX | 1,217,961 | 771,905 | 0 | 0 | 0 | 0 | XXX | XXX |
| 0369999. Total-Purchased Options-Call Options and Warrants | | | | | | | | | | 0 | 29,089 | 0 | 260,000 | XXX | 260,000 | 230,911 | 0 | 0 | 0 | 0 | XXX | XXX |
| 0379999. Total-Purchased Options-Put Options | | | | | | | | | | 212,565 | 310,067 | 0 | 957,961 | XXX | 957,961 | 540,994 | 0 | 0 | 0 | 0 | XXX | XXX |
| 0429999. Total-Purchased Options | | | | | | | | | | 212,565 | 339,156 | 0 | 1,217,961 | XXX | 1,217,961 | 771,905 | 0 | 0 | 0 | 0 | XXX | XXX |
| **Written Options - Other - Call Options and Warrants** | | | | | | | | | | | | | | | | | | | | | | |
| ABT | | N/A | | CBOE | 06/30/2011 | 01/19/2013 | (110) | (495,000) | 45.00 | 0 | (89,005) | 0 | (92,400) | | (92,400) | (3,395) | 0 | 0 | 0 | 0 | 0 | 0 |
| FXE | | N/A | | CBOE | 06/30/2011 | 01/21/2012 | (25) | (337,500) | 135.00 | 0 | (25,820) | 0 | (9,438) | | (9,438) | 16,383 | 0 | 0 | 0 | 0 | 0 | 0 |
| GM | | N/A | | CBOE | 03/04/2011 | 01/19/2013 | (245) | (980,000) | 40.00 | 0 | (95,816) | 0 | (11,393) | | (11,393) | 84,424 | 0 | 0 | 0 | 0 | 0 | 0 |
| JNJ | | N/A | | CBOE | 06/30/2011 | 01/19/2013 | (30) | (165,000) | 55.00 | 0 | (36,353) | 0 | (34,200) | | (34,200) | 2,153 | 0 | 0 | 0 | 0 | 0 | 0 |
| KMB | | N/A | | CBOE | 06/30/2011 | 01/19/2013 | (50) | (275,000) | 55.00 | 0 | (57,939) | 0 | (83,750) | | (83,750) | (25,811) | 0 | 0 | 0 | 0 | 0 | 0 |
| PFE | | N/A | | CBOE | 12/08/2010 | 01/19/2023 | (75) | (112,500) | 15.00 | (21,396) | 0 | 0 | (27,750) | | (27,750) | (2,146) | 0 | 0 | 0 | 0 | 0 | 0 |
| PG | | N/A | | CBOE | 07/05/2011 | 01/19/2013 | (62) | (341,000) | 55.00 | 0 | (55,556) | 0 | (63,860) | | (63,860) | (8,304) | 0 | 0 | 0 | 0 | 0 | 0 |
| SPX | | N/A | | CBOE | 12/06/2010 | 12/22/2012 | (5) | (750,000) | 1,500.00 | (16,334) | 0 | 0 | (8,350) | | (8,350) | 11,475 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPXPM | | N/A | | CBOE | 03/31/2011 | 12/30/2011 | (5) | (725,000) | 1,450.00 | 0 | (12,794) | 0 | (325) | | (325) | 12,469 | 0 | 0 | 0 | 0 | 0 | 0 |
| TBT | | N/A | | CBOE | 07/09/2010 | 01/21/2012 | (300) | (1,500,000) | 50 | (98,653) | 0 | 0 | (750) | | (750) | 57,300 | 0 | 0 | 0 | 0 | 0 | 0 |
| TBT | | N/A | | CBOE | 07/09/2010 | 01/21/2012 | (300) | (1,650,000) | 55 | (71,054) | 0 | 0 | (600) | | (600) | 39,900 | 0 | 0 | 0 | 0 | 0 | 0 |
| TBT | | N/A | | CBOE | 03/04/2011 | 01/19/2013 | (50) | (300,000) | 60 | 0 | (13,942) | 0 | (975) | | (975) | 12,967 | 0 | 0 | 0 | 0 | 0 | 0 |
| TBT | | N/A | | CBOE | 11/08/2010 | 01/21/2012 | (100) | (600,000) | 60.00 | (11,385) | 0 | 0 | (100) | | (100) | 9,850 | 0 | 0 | 0 | 0 | 0 | 0 |
| TBT | | N/A | | CBOE | 07/28/2010 | 01/21/2012 | (343) | (2,572,500) | 75.00 | (39,339) | 0 | 0 | (343) | | (343) | 16,979 | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 09/02/2011 | 01/19/2013 | (325) | (3,250,000) | 100 | 0 | (343,912) | 0 | (660,563) | | (660,563) | (316,650) | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 08/05/2011 | 03/17/2012 | (2,000) | (22,000,000) | 110 | 0 | (400,925) | 0 | (2,510,000) | | (2,510,000) | (2,109,075) | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 09/22/2011 | 01/19/2013 | (500) | (6,500,000) | 130 | 0 | (136,984) | 0 | (262,500) | | (262,500) | (125,516) | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 09/23/2011 | 01/19/2013 | (500) | (7,000,000) | 140 | 0 | (91,587) | 0 | (150,500) | | (150,500) | (58,913) | 0 | 0 | 0 | 0 | 0 | 0 |

# SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

| 1<br>Description | 2<br>Description of Items Hedged or Used for Income Generation | 3<br>Schedule /Exhibit Identifier | 4<br>Type(s) of Risk | 5<br>Exchange or Counterparty | 6<br>Trade Date | 7<br>Date of Maturity or Expiration | 8<br>Number of Contracts | 9<br>Notional Amount | 10<br>Strike Price, Rate of Indexed Received (Paid) | 11<br>Prior Year Initial Cost of Premium (Received) Paid | 12<br>Current Year Initial Cost of Premium (Received) Paid | 13<br>Current Year Income | 14<br>Book/ Adjusted Carrying Value | 15<br>Code | 16<br>Fair Value | 17<br>Unrealized Valuation Increase (Decrease) | 18<br>Total Foreign Exchange Change in B./A.C.V. | 19<br>Current Year's (Amortization) Accretion | 20<br>Adjustment to Carrying Value of Hedged Items | 21<br>Potential Exposure | 22<br>Credit Quality of Reference Entity | 23<br>Hedge Effectiveness at Inception and at Quarter-end (a) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TLT | | N/A | | CBOE | 09/23/2011 | 01/19/2013 | (300) | (4,500,000) | 150 | 0 | (44,688) | 0 | (47,400) | | (47,400) | (2,712) | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 09/23/2011 | 01/19/2013 | (100) | (1,600,000) | 160 | 0 | (9,901) | 0 | (8,450) | | (8,450) | 1,451 | 0 | 0 | 0 | 0 | 0 | 0 |
| USO | | N/A | | CBOE | 09/22/2010 | 01/22/2012 | (200) | (700,000) | 35 | (79,761) | 0 | 0 | (28,700) | | (28,700) | 113,300 | 0 | 0 | 0 | 0 | 0 | 0 |
| USO | | N/A | | CBOE | 02/11/2011 | 01/19/2013 | (13) | (65,000) | 50.00 | 0 | (2,845) | 0 | (1,528) | | (1,528) | 1,318 | 0 | 0 | 0 | 0 | 0 | 0 |
| USO | | N/A | | CBOE | 01/28/2011 | 01/19/2013 | (100) | (550,000) | 55 | 0 | (15,865) | 0 | (8,700) | | (8,700) | 7,165 | 0 | 0 | 0 | 0 | 0 | 0 |
| USO | | N/A | | CBOE | 11/19/2010 | 01/19/2013 | (400) | (2,000,000) | 50 | (87,184) | 0 | 0 | (47,000) | | (47,000) | 84,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| VXX | | N/A | | CBOE | 03/09/2011 | 01/21/2012 | (100) | (690,000) | 69.00 | 0 | (17,585) | 0 | (57,250) | | (57,250) | (39,665) | 0 | 0 | 0 | 0 | 0 | 0 |
| VXX | | N/A | | CBOE | 03/11/2011 | 01/21/2012 | (110) | (781,000) | 71.00 | 0 | (18,973) | 0 | (58,300) | | (58,300) | (39,327) | 0 | 0 | 0 | 0 | 0 | 0 |
| VXX1 | | N/A | | CBOE | 03/18/2011 | 01/21/2012 | (100) | (350,000) | 35.00 | (14,880) | 0 | 0 | (3,550) | | (3,550) | (800) | 0 | 0 | 0 | 0 | 0 | 0 |
| VXX1 | | N/A | | CBOE | 03/18/2011 | 01/21/2012 | (100) | (400,000) | 40.00 | (11,520) | 0 | 0 | (2,750) | | (2,750) | (750) | 0 | 0 | 0 | 0 | 0 | 0 |
| VXX1 | | N/A | | CBOE | 09/08/2010 | 01/21/2012 | (69) | (310,500) | 45.00 | (7,792) | 0 | 0 | (1,691) | | (1,691) | (656) | 0 | 0 | 0 | 0 | 0 | 0 |
| WMT | | N/A | | CBOE | 06/29/2011 | 01/19/2013 | (25) | (112,500) | 45.00 | 0 | (22,724) | 0 | (22,375) | | (22,375) | 349 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0719999. Total-Written Options-Other-Call Options and Warrants | | | | | | | | | | (459,298) | (1,493,215) | 0 | (4,205,489) | XXX | (4,205,489) | (2,262,238) | 0 | 0 | 0 | 0 | XXX | XXX |
| **Written Options - Other - Put Options** | | | | | | | | | | | | | | | | | | | | | | |
| AAPL | | N/A | | CBOE | 06/30/2010 | 01/21/2012 | (25) | (462,500) | 185.00 | (54,220) | 0 | 0 | (1,888) | | (1,888) | 8,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| AAPL | | N/A | | CBOE | 06/30/2010 | 01/21/2012 | (25) | (500,000) | 200.00 | (66,845) | 0 | 0 | (2,913) | | (2,913) | 12,150 | 0 | 0 | 0 | 0 | 0 | 0 |
| HYG | | N/A | | CBOE | 07/15/2011 | 12/17/2011 | (250) | (2,100,000) | 84.00 | 0 | (25,962) | 0 | (111,250) | | (111,250) | (85,288) | 0 | 0 | 0 | 0 | 0 | 0 |
| HYG | | N/A | | CBOE | 07/19/2011 | 03/17/2012 | (100) | (850,000) | 85.00 | 0 | (23,635) | 0 | (72,000) | | (72,000) | (48,365) | 0 | 0 | 0 | 0 | 0 | 0 |
| HYG | | N/A | | CBOE | 06/23/2011 | 12/17/2011 | (748) | (6,358,000) | 85.00 | 0 | (148,379) | 0 | (362,780) | | (362,780) | (214,401) | 0 | 0 | 0 | 0 | 0 | 0 |
| HYG | | N/A | | CBOE | 08/04/2011 | 03/17/2012 | (441) | (3,792,600) | 86.00 | 0 | (108,737) | 0 | (348,390) | | (348,390) | (239,653) | 0 | 0 | 0 | 0 | 0 | 0 |
| Intel | | N/A | | CBOE | 07/07/2010 | 01/21/2012 | (50) | (62,500) | 12.50 | (5,792) | 0 | 0 | (725) | | (725) | 750 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intel | | N/A | | CBOE | 11/18/2010 | 01/19/2013 | (300) | (450,000) | 15.00 | (44,727) | 0 | 0 | (39,600) | | (39,600) | (300) | 0 | 0 | 0 | 0 | 0 | 0 |
| JNK | | N/A | | CBOE | 07/15/2011 | 12/17/2011 | (250) | (875,000) | 35.00 | 0 | (9,712) | 0 | (33,125) | | (33,125) | (23,413) | 0 | 0 | 0 | 0 | 0 | 0 |
| JNK | | N/A | | CBOE | 07/15/2011 | 12/17/2011 | (250) | (900,000) | 36.00 | 0 | (13,462) | 0 | (41,250) | | (41,250) | (27,788) | 0 | 0 | 0 | 0 | 0 | 0 |
| JNK | | N/A | | CBOE | 07/15/2011 | 12/17/2011 | (250) | (925,000) | 37.00 | 0 | (17,212) | 0 | (55,625) | | (55,625) | (38,413) | 0 | 0 | 0 | 0 | 0 | 0 |
| LQD | | N/A | | CBOE | 09/26/2011 | 12/17/2011 | (50) | (540,000) | 108 | 0 | (4,192) | 0 | (4,750) | | (4,750) | (558) | 0 | 0 | 0 | 0 | 0 | 0 |
| MSFT | | N/A | | CBOE | 09/02/2010 | 01/21/2012 | (300) | (375,000) | 12.50 | (14,584) | 0 | 0 | (2,400) | | (2,400) | 2,250 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPX | | N/A | | CBOE | 08/26/2010 | 12/22/2012 | (285) | (7,125,000) | 250.00 | (182,594) | 0 | 0 | (49,875) | | (49,875) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SPX | | N/A | | CBOE | 08/16/2010 | 12/22/2012 | (275) | (8,250,000) | 300.00 | (263,424) | 0 | 0 | (82,500) | | (82,500) | (8,250) | 0 | 0 | 0 | 0 | 0 | 0 |
| SPX | | N/A | | CBOE | 07/06/2010 | 12/22/2012 | (25) | (1,000,000) | 400.00 | (57,471) | 0 | 0 | (17,750) | | (17,750) | (3,625) | 0 | 0 | 0 | 0 | 0 | 0 |
| SPX | | N/A | | CBOE | 12/13/2010 | 12/22/2012 | (5) | (300,000) | 600.00 | (7,994) | 0 | 0 | (11,675) | | (11,675) | (3,250) | 0 | 0 | 0 | 0 | 0 | 0 |
| SPX | | N/A | | CBOE | 08/08/2011 | 12/21/2013 | (23) | (1,495,000) | 650.00 | 0 | (76,322) | 0 | (120,175) | | (120,175) | (43,853) | 0 | 0 | 0 | 0 | 0 | 0 |
| SPX | | N/A | | CBOE | 02/22/2011 | 12/22/2012 | (30) | (2,100,000) | 700.00 | (62,471) | (7,494) | 0 | (110,850) | | (110,850) | (37,481) | 0 | 0 | 0 | 0 | 0 | 0 |
| SPX | | N/A | | CBOE | 02/22/2011 | 12/21/2013 | (5) | (350,000) | 700.00 | 0 | (21,094) | 0 | (31,275) | | (31,275) | (10,181) | 0 | 0 | 0 | 0 | 0 | 0 |
| SPX | | N/A | | CBOE | 12/06/2010 | 12/22/2012 | (5) | (400,000) | 800.00 | (21,654) | 0 | 0 | (27,525) | | (27,525) | (8,000) | 0 | 0 | 0 | 0 | 0 | 0 |
| SPX | | N/A | | CBOE | 12/15/2010 | 12/22/2012 | (15) | (1,500,000) | 1,000.00 | (37,644) | (46,989) | 0 | (164,325) | | (164,325) | (78,462) | 0 | 0 | 0 | 0 | 0 | 0 |
| SPXPM | | N/A | | CBOE | 02/22/2011 | 12/30/2011 | (5) | (500,000) | 1,000.00 | 0 | (8,994) | 0 | (20,175) | | (20,175) | (11,181) | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 12/16/2010 | 01/19/2013 | (116) | (638,000) | 55.00 | (13,319) | 0 | 0 | (1,740) | | (1,740) | 10,266 | 0 | 0 | 0 | 0 | 0 | 0 |

# SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

| 1<br>Description | 2<br>Description of Items Hedged or Used for Income Generation | 3<br>Schedule /Exhibit Identifier | 4<br>Type(s) of Risk | 5<br>Exchange or Counterparty | 6<br>Trade Date | 7<br>Date of Maturity or Expiration | 8<br>Number of Contracts | 9<br>Notional Amount | 10<br>Strike Price, Rate of Indexed Received (Paid) | 11<br>Prior Year Initial Cost of Premium (Received) Paid | 12<br>Current Year Initial Cost of Premium (Received) Paid | 13<br>Current Year Income | 14<br>Book/ Adjusted Carrying Value | 15<br>Code | 16<br>Fair Value | 17<br>Unrealized Valuation Increase (Decrease) | 18<br>Total Foreign Exchange Change in B./A.C.V. | 19<br>Current Year's (Amortization) Accretion | 20<br>Adjustment to Carrying Value of Hedged Items | 21<br>Potential Exposure | 22<br>Credit Quality of Reference Entity | 23<br>Hedge Effectiveness at Inception and at Quarter-end (a) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TLT | | N/A | | CBOE | 01/07/2011 | 01/19/2013 | (204) | (1,224,000) | 60.00 | 0 | (28,318) | 0 | (6,732) | | (6,732) | 21,586 | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 08/20/2010 | 01/21/2012 | (1,029) | (6,688,500) | 65.00 | (104,899) | 0 | 0 | (5,145) | | (5,145) | 74,603 | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 04/30/2011 | 01/19/2013 | (7) | (45,500) | 65.00 | 0 | (763) | 0 | (298) | | (298) | 466 | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 11/10/2010 | 01/21/2012 | (2,336) | (16,352,000) | 70.00 | (261,414) | 0 | 0 | (4,672) | | (4,672) | 249,642 | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 07/22/2011 | 01/19/2013 | (1,127) | (7,889,000) | 70.00 | (66,621) | (139,839) | 0 | (74,946) | | (74,946) | 129,372 | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 03/07/2011 | 01/21/2012 | (550) | (4,125,000) | 75 | (78,259) | (11,535) | 0 | (1,375) | | (1,375) | 94,085 | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 03/07/2011 | 01/21/2012 | (400) | (32,000) | 80 | (67,311) | (32,027) | 0 | (3,200) | | (3,200) | 102,077 | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 06/23/2011 | 01/19/2013 | (111) | (888,000) | 80 | 0 | (36,054) | 0 | (18,981) | | (18,981) | 17,073 | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 11/08/2010 | 01/21/2012 | (100) | (850,000) | 85 | (37,884) | 0 | 0 | (1,550) | | (1,550) | 44,950 | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 08/27/2010 | 01/21/2012 | (1,045) | (9,405,000) | 90 | (681,553) | 0 | 0 | (31,350) | | (31,350) | 672,248 | 0 | 0 | 0 | 0 | 0 | 0 |
| TLT | | N/A | | CBOE | 03/23/2011 | 01/21/2012 | (100) | (950,000) | 95 | 0 | (87,818) | 0 | (5,450) | | (5,450) | 82,368 | 0 | 0 | 0 | 0 | 0 | 0 |
| TXN | | N/A | | CBOE | 09/13/2010 | 01/21/2012 | (500) | (625,000) | 12.50 | (26,323) | 0 | 0 | (4,250) | | (4,250) | 750 | 0 | 0 | 0 | 0 | 0 | 0 |
| VXX | | N/A | | CBOE | 07/26/2011 | 01/19/2013 | (120) | (360,000) | 30.00 | 0 | (169,458) | 0 | (71,700) | | (71,700) | 97,758 | 0 | 0 | 0 | 0 | 0 | 0 |
| VXX | | N/A | | CBOE | 07/29/2011 | 01/19/2013 | (530) | (1,855,000) | 35.00 | 0 | (944,432) | 0 | (422,675) | | (422,675) | 521,757 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0729999. Total-Written Options-Other-Put Options | | | | | | | | | | (2,157,005) | (1,962,430) | 0 | (2,366,883) | XXX | (2,366,883) | 1,260,490 | 0 | 0 | 0 | 0 | XXX | XXX |
| 0779999. Total-Written Options-Other | | | | | | | | | | (2,616,303) | (3,455,646) | 0 | (6,572,372) | XXX | (6,572,372) | (1,001,747) | 0 | 0 | 0 | 0 | XXX | XXX |
| 0789999. Total-Written Options-Call Options and Warrants | | | | | | | | | | (459,298) | (1,493,215) | 0 | (4,205,489) | XXX | (4,205,489) | (2,262,238) | 0 | 0 | 0 | 0 | XXX | XXX |
| 0799999. Total-Written Options-Put Options | | | | | | | | | | (2,157,005) | (1,962,430) | 0 | (2,366,883) | XXX | (2,366,883) | 1,260,490 | 0 | 0 | 0 | 0 | XXX | XXX |
| 0849999. Total-Written Options | | | | | | | | | | (2,616,303) | (3,455,646) | 0 | (6,572,372) | XXX | (6,572,372) | (1,001,747) | 0 | 0 | 0 | 0 | XXX | XXX |
| 1439999. Total-Other | | | | | | | | | | (2,403,738) | (3,116,490) | 0 | (5,354,411) | XXX | (5,354,411) | (229,842) | 0 | 0 | 0 | 0 | XXX | XXX |
| 1449999. TOTAL | | | | | | | | | | (2,403,738) | (3,116,490) | 0 | (5,354,411) | XXX | (5,354,411) | (229,842) | 0 | 0 | 0 | 0 | XXX | XXX |

QE06.2

(a)

| Code | Financial or Economic Impact of the Hedge at the End of the Reporting Period |
|---|---|
| 0 | |

NONE

# SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of Current Statement Date

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | Change in Variation Margin | | | | 19 | 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | 15 | 16 | 17 | 18 | | |
| Ticker Symbol | Number of Contracts | Notional Amount | Description | Description of Hedged Item(s) | Schedule/ Exhibit Identifier | Type(s) of Risk | Date of Maturity or Expiration | Exchange | Trade Date | Transaction Price | Reporting Date Price | Fair Value | Book/ Adjusted Carrying Value | Cumulative | Gain (Loss) Recognized in Current Year | Gain (Loss) Used to Adjust Basis of Hedged Item | Deferred | Potential Exposure | Hedge Effectiveness at Inception and at Quarter-end (a) |
| **Long Futures** | | | | | | | | | | | | | | | | | | | |
| **Other** | | | | | | | | | | | | | | | | | | | |
| | 662 | 662,000 | VIX 21Dec11 | N/A | | | 12/21/2011 | CFTC | 08/04/2011 | 22.3504 | 34.8000 | 8,241,612 | 8,842,112 | 8,241,612 | 0 | 0 | 0 | 158,164 | |
| 1319999. Total-Long Futures-Other | | | | | | | | | | | | 8,241,612 | 8,842,112 | 8,241,612 | 0 | 0 | 0 | 158,164 | XXX |
| 1329999. Total-Long Futures | | | | | | | | | | | | 8,241,612 | 8,842,112 | 8,241,612 | 0 | 0 | 0 | 158,164 | XXX |
| **Short Futures** | | | | | | | | | | | | | | | | | | | |
| **Other** | | | | | | | | | | | | | | | | | | | |
| | (635) | (635,000) | VIX 18Jan12 | N/A | | | 01/18/2012 | CFTC | 08/04/2011 | 23.6384 | 35.5000 | (7,532,098) | (6,942,735) | (7,532,098) | 0 | 0 | 0 | 155,230 | |
| | (12) | (12,000) | VIX 16Nov11 | N/A | | | 11/16/2011 | CFTC | 08/03/2011 | 22.2115 | 37.7500 | (186,462) | (175,325) | (186,462) | 0 | 0 | 0 | 2,933 | |
| 1379999. Total-Short Futures-Other | | | | | | | | | | | | (7,718,560) | (7,118,060) | (7,718,560) | 0 | 0 | 0 | 158,164 | XXX |
| 1389999. Total-Short Futures | | | | | | | | | | | | (7,718,560) | (7,118,060) | (7,718,560) | 0 | 0 | 0 | 158,164 | XXX |
| 1439999. Total-Other | | | | | | | | | | | | 523,052 | 1,724,052 | 523,052 | 0 | 0 | 0 | 316,328 | XXX |
| 1449999. TOTAL | | | | | | | | | | | | 523,052 | 1,724,052 | 523,052 | 0 | 0 | 0 | 316,328 | XXX |

QE07

(a)

| Code | Financial or Economic Impact of the Hedge at the End of the Reporting Period |
|---|---|
| 0 | |

NONE

| Broker Name | Net Cash Deposits |
|---|---|
| **Brokers** | |
| | 0 |
| Total Net Cash Deposits | 0 |

NONE

# SCHEDULE DB - PART D

Showing Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

| 1 | 2 | 3 | 4 | Book Adjusted Carrying Value | | | Fair Value | | | 11 | 12 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 5 | 6 | 7 | 8 | 9 | 10 | | |
| Description Counterparty or Exchange Traded | Master Agreement (Y or N) | Credit Support Annex (Y or N) | Fair Value of Acceptable Collateral | Contracts With Book Adjusted Carrying Value > 0 | Contracts With Book Adjusted Carrying Value < 0 | Exposure Net of Collateral | Contracts Fair Value > 0 | Contracts Fair Value < 0 | Exposure Net of Collateral | Potential Exposure | Off-Balance Sheet Exposure |
| **Exchange Traded Derivatives** | | | | | | | | | | | |
| 0199999. Exchange Traded | XXX | XXX | XXX | 10,060,073 | (13,690,431) | 10,060,073 | 9,459,573 | (14,290,932) | 9,459,573 | 0 | 0 |
| 0899999. Totals | | | 0 | 10,060,073 | (13,690,431) | 10,060,073 | 9,459,573 | (14,290,932) | 9,459,573 | 0 | 0 |

# Sch. DL-Pt. 1
# NONE

# Sch. DL-Pt. 2
# NONE

# SCHEDULE E - PART 1 - CASH

## Month End Depository Balances

| 1<br>Depository | 2<br>Code | 3<br>Rate of Interest | 4<br>Amount of Interest Received During Current Quarter | 5<br>Amount of Interest Accrued at Current Statement Date | Book Balance at End of Each Month During Current Quarter<br>6<br>First Month | 7<br>Second Month | 8<br>Third Month | 9<br>* |
|---|---|---|---|---|---|---|---|---|
| **Open Depositories** | | | | | | | | |
| Bank of New York Mellon ... New York, NY | | 0.000 | 0 | 0 | 0 | 0 | 0 | XXX.. |
| JP Morgan Chase ... Springfield, IL | | 0.000 | 0 | 0 | 29,959 | 28,431 | 32,134 | XXX.. |
| FSNB Policy ... Stanford, KY | | 0.090 | 854 | 0 | 2,047,629 | 2,287,633 | 1,320,246 | XXX.. |
| FSNB Money Market ... Stanford, KY | | 0.000 | 0 | 0 | 12,617 | 12,617 | 12,617 | XXX.. |
| FSNB Reinsurance ... Stanford, KY | | 0.220 | 47 | 0 | 83,280 | 83,297 | 83,312 | XXX.. |
| FSNB Non-Policy Freedom ... Stanford, KY | | 0.080 | 45 | 0 | 178,060 | 123,140 | 56,963 | XXX.. |
| FSNB NP-Somerset Plaza ... Stanford, KY | | 0.000 | 0 | 0 | 310,065 | 316,524 | 340,757 | XXX.. |
| Illinois National Bank ... Springfield, IL | | 0.000 | 0 | 0 | 250,732 | 223,630 | 184,810 | XXX.. |
| Interactive Brokers ... Greenwich, CT | | 0.000 | 0 | 0 | 1,985,064 | 2,070,632 | 2,277,918 | XXX.. |
| TD Ameritrade ... Omaha, NE | | 0.010 | 1 | 0 | 19,925 | 19,926 | 19,926 | XXX.. |
| Federal Home Loan Bank ... Cincinnati, OH | | 0.002 | 8 | 0 | 20,301 | 1,225,096 | 2,232,837 | XXX.. |
| NorthPoint Trading Partners, LLC/Goldman Sachs 1 ... Alpharetta, GA | | 0.000 | 0 | 0 | 727,996 | 616,731 | 810,797 | XXX.. |
| NorthPoint Trading Partners, LLC/Goldman Sachs 2 ... Alpharetta, GA | | 0.000 | 0 | 0 | 5,003,192 | 6,289,379 | 6,796,552 | XXX.. |
| NorthPoint Trading Partners, LLC/Goldman Sachs 3 ... Alpharetta, GA | | 0.000 | 0 | 0 | 154,473 | 428,537 | 818,601 | XXX.. |
| NorthPoint Trading Partners, LLC/JP Morgan ... Alpharetta, GA | | 0.000 | 0 | 0 | 163,910 | 690,070 | 4,709,331 | XXX.. |
| Deposit in 1 depository (Pioneer) ... Iaeger, WV | | 0.000 | 0 | 0 | 7,001 | 7,278 | 7,395 | XXX.. |
| 0199999. Total Open Depositories ... | XXX | XXX | 955 | 0 | 10,994,204 | 14,422,921 | 19,704,196 | XXX.. |
| 0399999. Total Cash on Deposit ... | XXX | XXX | 955 | 0 | 10,994,204 | 14,422,921 | 19,704,196 | XXX.. |
| 0599999. Total Cash ... | XXX | XXX | 955 | 0 | 10,994,204 | 14,422,921 | 19,704,196 | XXX.. |

# SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1<br>Description | 2<br>Code | 3<br>Date Acquired | 4<br>Rate of Interest | 5<br>Maturity Date | 6<br>Book/Adjusted Carrying Value | 7<br>Amount of Interest Due & Accrued | 8<br>Amount Received During Year |
|---|---|---|---|---|---|---|---|

**NONE**