



**QUARTERLY STATEMENT**  
 AS OF MARCH 31, 2017  
 OF THE CONDITION AND AFFAIRS OF THE  
**BANKERS GUARANTEE TITLE & TRUST CO**

NAIC Group Code 0000,                      NAIC Company Code 50164 Employer's ID Number 340083590  
(Current Period) (Prior Period)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile US

Incorporated/Organized August 11, 1911 Commenced Business August 11, 1911

Statutory Home Office 1113 Medina Rd. Suite 400, Medina, Ohio 44256  
(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office 400 Medina Rd. Suite 400, Medina, Ohio, US 44256 3308671600  
(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address N/A  
(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records N/A  
(Street and Number, City or Town, State, Country and Zip Code)  
(Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Richard L Pace 330 867 1600  
(Name) (Area Code) (Telephone Number) (Extension)  
rpac@bankersguarantee.com 330 867 1935  
(E-Mail Address) (Fax Number)

**OFFICERS**

Richard L Pace (President)  
 Patricia K Smith (Vice President)  
 Michael Larsen (CFO/Treasurer)  
 James C Hunt (CEO)

**OTHER OFFICERS**

Paul Kopsky, Jr (Exec Mgmt Director)  
 Kara Harchuck (Exec Mgmt Dir., Sec., GC)  
 James Flynn (Sr. Mnmt Director)  
 Mustafa Haque (SVP, Asst GC, Asst Sec)  
 David Miller (Vice Pres)  
 Tracy Dennis (Vice Pres)  
 Michael Becktel (Vice Pres)  
 Claudia Ivey (Sr. Vice Pres)  
 Barry Polen (Vice Pres)

**DIRECTORS OR TRUSTEES**

James C Hunt  
 James Flynn  
 Michael Larsen  
 Kara Harchuck  
 Clay Parker

State of \_\_\_\_\_ }  
 County of \_\_\_\_\_ } SS

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 there from 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.

Richard L Pace  
 President  
 \_\_\_\_\_  
 Subscribed and sworn to before me this  
 day of \_\_\_\_\_ 2017

Patricia K Smith  
 Vice President  
 \_\_\_\_\_

Michael Larsen  
 CFO/Treasurer  
 \_\_\_\_\_

- 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 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	December 31 Prior Year Net Admitted Assets
1. Bonds	19,625,009		19,625,009	8,109,000
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	499,263		499,263	499,263
3. Mortgage loans on real estate:				
3.1 First liens	39,984,786		39,984,786	37,000,001
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				55,299
5. Cash (\$ 14,636,537 ), cash equivalents (\$ ) and short-term investments (\$ )	14,636,537		14,636,537	11,763,521
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets	1,575,330		1,575,330	1,575,330
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets	147,923		147,923	162,695
12. Subtotals, cash and invested assets (Line 1 through Line 11)	76,468,848		76,468,848	59,165,109
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ ) and contracts subject to redetermination (\$ )				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ )	99,040	99,040		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ ) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	5,771,403	221,417	5,549,986	7,251,076
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	82,339,291	320,457	82,018,834	66,416,185
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Totals (Line 26 and Line 27)	82,339,291	320,457	82,018,834	66,416,185
<b>DETAILS OF WRITE-INS</b>				
1101. Interest Receivable	147,923		147,923	162,695
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)	147,923		147,923	162,695
2501. Miscellaneous Receivable	221,417	221,417		
2502. Prepaid Pension				
2503. Funds Segregated for others	5,549,986		5,549,986	7,251,076
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	5,771,403	221,417	5,549,986	7,251,076

STATEMENT AS OF MARCH 31, 2017 OF THE BANKERS GUARANTEE TITLE & TRUST CO  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Known claim reserve .....		
2. Statutory premium reserve .....	131,976	131,808
3. Aggregate of other reserves required by law .....		
4. Supplemental reserve .....		
5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers .....		
6. Other expenses (excluding taxes, licenses and fees) .....	90,450	366,674
7. Taxes, licenses and fees (excluding federal and foreign income taxes) .....		
8.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....		
8.2 Net deferred tax liability .....		
9. Borrowed money \$ ..... and interest thereon \$ .....	16,590,854	23,479,850
10. Dividends declared and unpaid .....		
11. Premiums and other consideration received in advance .....		
12. Unearned interest and real estate income received in advance .....		
13. Funds held by company under reinsurance treaties .....		
14. Amounts withheld or retained by company for account of others .....		
15. Provision for unauthorized and certified reinsurance .....		
16. Net adjustment in assets and liabilities due to foreign exchange rates .....		
17. Drafts outstanding .....		
18. Payable to parent, subsidiaries and affiliates .....		
19. Derivatives .....		
20. Payable for securities .....		
21. Payable for securities lending .....		
22. Aggregate write-ins for other liabilities .....	5,581,816	7,285,767
23. Total liabilities (Line 1 through Line 22) .....	22,395,096	31,264,099
24. Aggregate write-ins for special surplus funds .....		
25. Common capital stock .....	631,250	631,250
26. Preferred capital stock .....		
27. Aggregate write-ins for other-than-special surplus funds .....		
28. Surplus notes .....		
29. Gross paid in and contributed surplus .....	53,585,583	29,669,096
30. Unassigned funds (surplus) .....	5,406,905	4,851,740
31. Less treasury stock, at cost:		
31.1 ..... shares common (value included in Line 25 \$ .....)		
31.2 ..... shares preferred (value included in Line 26 \$ .....)		
32. Surplus as regards policyholders (Line 24 to Line 30 less Line 31) .....	59,623,738	35,152,086
33. TOTALS (Page 2, Line 28, Col. 3) .....	82,018,834	66,416,185
<b>DETAILS OF WRITE-INS</b>		
0301 .....		
0302 .....		
0303 .....		
0398. Summary of remaining write-ins for Line 3 from overflow page .....		
0399. Totals (Line 0301 through Line 0303 plus Line 0398) (Line 3 above) .....		
<hr/>		
2201. Loan Escrow .....	31,829	34,689
2202. Funds Segregated for others .....	5,549,985	7,251,076
2203. Rounding .....	2	2
2298. Summary of remaining write-ins for Line 22 from overflow page .....		
2299. Totals (Line 2201 through Line 2203 plus Line 2298) (Line 22 above) .....	5,581,816	7,285,767
<hr/>		
2401 .....		
2402 .....		
2403 .....		
2498. Summary of remaining write-ins for Line 24 from overflow page .....		
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above) .....		
<hr/>		
2701 .....		
2702 .....		
2703 .....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....		
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above) .....		

## OPERATIONS AND INVESTMENT EXHIBIT STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>OPERATING INCOME</b>			
1. Title insurance and related income:			
1.1 Title insurance premiums earned	1,516	64,209	114,635
1.2 Escrow and settlement services			
1.3 Other title fees and service charges			
2. Aggregate write-ins for other operating income	1,060,053	503,651	2,649,624
3. Total Operating Income (Line 1 through Line 2)	1,061,569	567,860	2,764,259
<b>EXPENSES:</b>			
4. Losses and loss adjustment expenses incurred			
5. Operating expenses incurred	1,272	51,545	85,959
6. Aggregate write-ins for other operating expenses	553,994	575,111	2,876,642
7. Total Operating Expenses	555,266	626,656	2,962,601
8. Net operating gain or (loss) (Line 3 minus Line 7)	506,303	(58,796)	(198,342)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	315,591	46,695	228,420
10. Net realized capital gains (losses) less capital gains tax of \$			344,762
11. Net investment gain (loss) (Line 9 plus Line 10)	315,591	46,695	573,182
<b>OTHER INCOME</b>			
12. Aggregate write-ins for miscellaneous income or (loss) or other deductions			
13. Net income, after capital gains tax and before all other federal income taxes (Line 8 plus Line 11 plus Line 12)	821,894	(12,101)	374,840
14. Federal and foreign income taxes incurred			
15. Net income (Line 13 minus Line 14)	821,894	(12,101)	374,840
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
16. Surplus as regards policyholders, December 31 prior year	35,152,086	13,177,494	13,177,494
17. Net income (from Line 15)	821,894	(12,101)	374,840
18. Change in net unrealized capital gains or (losses) less capital gains tax of \$	239,557		(559,350)
19. Change in net unrealized foreign exchange capital gain (loss)			
20. Change in net deferred income taxes			
21. Change in nonadmitted assets	(23,246)	9,929	536,513
22. Change in provision for unauthorized and certified reinsurance			
23. Change in supplemental reserves			
24. Change in surplus notes			
25. Cumulative effect of changes in accounting principles			
26. Capital Changes:			
26.1 Paid in	23,901,486		21,637,593
26.2 Transferred from surplus (Stock Dividend)			
26.3 Transferred to surplus			
27. Surplus Adjustments:			
27.1 Paid in			
27.2 Transferred to capital (Stock Dividend)			
27.3 Transferred from capital			
28. Dividends to stockholders			
29. Change in treasury stock			
30. Aggregate write-ins for gains and losses in surplus	(468,039)		(15,004)
31. Change in surplus as regards policyholders for the year (Line 17 through Line 30)	24,471,652	(2,172)	21,974,592
32. Surplus as regards policyholders as of statement date (Line 16 plus Line 31)	59,623,738	13,175,322	35,152,086
<b>DETAILS OF WRITE-INS</b>			
0201. mortgage lending	1,060,053	503,651	2,649,624
0202.			
0203.			
0298. Summary of remaining write-ins for Line 2 from overflow page			
0299. Totals (Line 0201 through Line 0203 plus Line 0298) (Line 2 above)	1,060,053	503,651	2,649,624
0601. mortgage lending	553,994	575,111	2,876,642
0602.			
0603.			
0698. Summary of remaining write-ins for Line 6 from overflow page			
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	553,994	575,111	2,876,642
1201.			
1202.			
1203.			
1298. Summary of remaining write-ins for Line 12 from overflow page			
1299. Totals (Line 1201 through Line 1203 plus Line 1298) (Line 12 above)			
3001. Other Comprehensive Income (15,000) and rounding	(486,497)		(15,004)
3002. Prior period adjustment - change in accounting method capitalize mortgage servicing rights			
3003. Prior Period Adjustment - General	18,458		
3098. Summary of remaining write-ins for Line 30 from overflow page			
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)	(468,039)		(15,004)

**CASH FLOW**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	1,516	64,209	114,063
2. Net investment income	315,591	46,695	13,832
3. Miscellaneous income	1,060,053	503,651	2,650,196
4. Total (Line 1 through Line 3)	1,377,160	614,555	2,778,091
5. Benefit and loss related payments			
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	555,266	626,656	2,962,601
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)			
10. Total (Line 5 through Line 9)	555,266	626,656	2,962,601
11. Net cash from operations (Line 4 minus Line 10)	821,894	(12,101)	(184,510)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			
12.2 Stocks			
12.3 Mortgage loans	14,217,159	7,295,755	45,672,663
12.4 Real estate			
12.5 Other invested assets			381,999
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	14,217,159	7,295,755	46,054,662
13. Cost of investments acquired (long-term only):			
13.1 Bonds	11,516,009		8,109,000
13.2 Stocks			144,100
13.3 Mortgage loans	17,201,944	7,236,795	75,334,608
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			150,736
13.7 Total investments acquired (Line 13.1 through Line 13.6)	28,717,953	7,236,795	83,738,444
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(14,500,794)	58,960	(37,683,782)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock	23,901,486		21,637,513
16.3 Borrowed funds	(6,888,996)	(39,119)	20,063,906
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(460,574)	(69,410)	753,482
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	16,551,916	(108,529)	42,454,901
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	2,873,016	(61,670)	4,586,609
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	11,763,521	7,176,912	7,176,912
19.2 End of period (Line 18 plus Line 19.1)	14,636,537	7,115,242	11,763,521

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

20.0001			
20.0002			
20.0003			
20.0004			
20.0005			
20.0006			
20.0007			
20.0008			
20.0009			
20.0010			

**NOTES TO FINANCIAL STATEMENTS**

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**(1) General**

The Bankers Guarantee Title & Trust Company, (the “Company”) is a title insurance company domiciled and registered in Ohio and a real estate lender. The Company is an approved lender by the Federal National Mortgage Association (“Fannie Mae”), the Government National Mortgage Association (“Ginnie Mae”) and the U.S. Department of Housing and Urban Development (“HUD”)/Federal Housing Administration (“FHA”). The Company’s business is to underwrite title insurance and underwrite, originate, and service loans under the above-referenced programs. The originated loans are funded by the Company or through short-term borrowing facilities and are ultimately sold to Fannie Mae and HUD/FHA.

The Company also underwrites loans originated by outside mortgage brokers. Generally, these loans are funded by and serviced by the Company.

The Company is a wholly owned subsidiary of Nevada General Corporation (“NGC” or the “Parent”), which is wholly owned by HCH Holdings, LLC (“HCH”), which in turn, is ultimately wholly owned by Hunt Companies, Inc. (“HCI” or “Hunt”).

On June 30, 2015, HCH a majority owned subsidiary of HCI, purchased all of the outstanding shares of NGC and the Company.

**(1) Summary of Significant Accounting Policies****(a) Basis of Presentation**

The financial statements of the Company are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The 2015 financial statements include the accounts of the Company and its wholly owned subsidiary, Ohio General Corporation (“OGC”). Immediately prior to the stock purchase by HCH, the Company transferred certain assets to OGC and settled all inter-company loan accounts with the net result being a contribution of \$3,056,550 to OGC’s capital account. The Company then distributed all of the stock of OGC to its shareholders in the form of a stock dividend, resulting in a deconsolidation of OGC as of June 30, 2015. All significant inter-company accounts and transactions were eliminated in consolidation as of and for the period ended June 30, 2015.

**(b) Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and related disclosure in the accompanying notes. Significant estimates that require subjective judgments inherent in the preparation of the accompanying financial statements including:

- the determination of fair value for mortgage loans held for sale, mortgage servicing rights (“MSRs”), and any impairment thereon;
- accounting for income taxes, including the potential outcome of uncertain tax positions; and
- accrual for loss contingencies, including the allowance for risk-sharing obligations.

**NOTES TO FINANCIAL STATEMENTS**

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Estimates are based on experience and current market conditions affecting the Company's business. Management actively monitors the market conditions on an ongoing basis and adjusts its estimates used, as necessary. Actual results may differ from these estimates.

**(c) Comprehensive Income**

Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income. Certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of the shareholders' equity section of the balance sheet. Such items, along with net income, are components of comprehensive income.

**(d) Investment Securities**

Securities classified as available-for-sale are equity securities with readily determinable fair values and those debt securities that the Company intends to hold for an indefinite period of time but not necessarily to maturity. Any decision to sell a security classified as available-for-sale would be based on various factors, including significant movement in interest rates, changes in the maturity mix of the Company's assets and liabilities, liquidity needs, regulatory capital considerations, and other similar factors. These securities are carried at estimated fair value based on information provided by a third party pricing service with any unrealized gains or losses excluded from net income and reported in accumulated other comprehensive income (loss), which is reported as a separate component of shareholders' equity.

Interest income, including amortization of premium and accretion of discount arising at acquisition, from all categories of investment securities are included in interest income in the statements of income.

Gains and losses realized on sales of investment securities, determined using the adjusted cost basis of the specific securities sold, are included in noninterest income in the statements of income. Additionally, declines in the estimated fair value of individual investment securities below their cost that are other-than-temporary are reflected as realized losses in the statements of income. Factors affecting the determination of whether an other-than-temporary impairment has occurred include, among other things, (i) the length of time and the extent to which the fair value has been less than cost, (ii) the financial condition and near term prospects of the issuer, (iii) that the Company does not intend to sell these securities, and (iv) it is more likely than not that the Company will not be required to sell before a period of time sufficient to allow for any anticipated recovery in fair value.

Restricted stock is stock from the Federal Home Loan Bank of Cincinnati ("FHLB"), which is restricted as to its marketability. Because no ready market exists for these investments and they have no quoted market value, the Bank's investment in these stocks are carried at cost.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents include cash in banks, money market funds, and short-term instruments with a maturity date of three months or less at acquisition.

**NOTES TO FINANCIAL STATEMENTS**

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**(f) Restricted Cash**

Restricted cash represents cash held in a bank account to satisfy Ohio Department of Insurance requirements, of which the Company was in compliance with at December 31, 2016 and 2015.

**(g) Mortgage Loans Held-for-Sale**

Mortgage loans held-for-sale are valued in the aggregate at lower of cost or market. The lower of cost or market is determined by the FNMA bid price for delivery at year end and any buy up or buy down adjustment at December 31. Net unrealized losses, if any, are recognized through a valuation allowance by charges to income. The Company does not retain any interest in these loans after sale, except for MSR's. During the period prior to its sale, interest income on a loan held for sale is calculated in accordance with the terms of the individual loan. The Company established a valuation allowance of \$620,400 as of December 31, 2016 for unrealized losses.

**(h) Mortgage Servicing Rights, Net**

When a mortgage loan is sold, the Company retains the right to service the loan and recognizes the MSR at fair value. The initial fair value represents expected net cash flows from servicing, as well as interest earnings on escrows and interim cash balances, borrower prepayment penalties, delinquency rates, late charges along with ancillary fees that are discounted at a rate that reflects the credit and liquidity risk of the MSR over the estimated life of the underlying loan. After initial recognition, the Company amortizes all MSR's in proportion to, and over the period that approximates when servicing income is recognized. The Company assesses MSR's for impairment based on their estimated fair value compared to carrying values.

**(i) Allowance for Loan Losses**

The Company recognizes an allowance for loan loss obligations related to certain loans sold to Fannie Mae and HUD/FHA, for which the Company retains recourse. The Company's assessment of the allowance is based upon the average loss rate incurred by the Company for the trailing six year period. The allowance is determined by multiplying the average annual loss rate by the average projected unpaid principal balance for the coming year.

**(j) Foreclosed Assets**

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at cost at the date of foreclosure. Subsequent to foreclosure, any additional costs incurred are capitalized and included in the gain or loss on disposal. Historically, losses, if any, on foreclosure have not been material. In years where expected losses are considered material, an allowance is recorded.

Due to existing market conditions as of December 31, 2016 and 2015, the Company established reserves of \$227,446 and \$56,365 respectively for estimated loan loss obligations and foreclosed properties.

## NOTES TO FINANCIAL STATEMENTS

**(k) Property and Equipment**

Depreciation of leasehold improvements is calculated on a straight line basis over the life of the underlying lease including available extensions. Furniture, fixtures and automobiles are being depreciated using accelerated methods over the estimated useful lives of the assets.

**(l) Mortgages Held to Maturity**

The Company does maintain a portfolio of loans (notes 5 & 6) which it has chosen to hold until maturity. Historically, these loans have consisted of both commercial and residential real estate loans. The Company reviews each of these loans annually to determine if there is any potential loss in value and records specific loan loss reserves as necessary. Loss reserves of \$-0- and \$938,366 were recorded as of December 31, 2016 and 2015 respectively.

**(m) Federal Home Loan Bank Advances**

Bankers Guarantee Title & Trust Company (“BGTT”) is a member of the Federal Home Loan Bank (“FHLB”). On January 20, 2016, the Federal Housing Finance Agency (“FHFA”), as the primary regulator overseeing the FHLB, adopted a final rule governing FHLB membership. Among other things, the rule excludes captive insurers from the defined term “Insurance Company”, thus making captives ineligible for FHLB membership. It also requires that any captives admitted as FHLB members after September 12, 2014 are withdrawn from FHLB membership.

BGTT has been a third party title insurance company since 1911 and therefore remains an eligible member of the FHLB. However on March 31, 2016, BGTT was informed by the FHFA that for purposes of the rules governing FHLB membership, the FHFA considers BGTT to be a captive insurance company. BGTT was admitted as a member of the FHLB prior to September 12, 2014 and therefore will remain a FHLB member for a five year period (through February 19, 2021) after which BGTT will no longer be eligible for FHLB membership. During this five year period, BGTT will be eligible to draw advances from the FHLB pursuant to FHLB’s membership guidelines. As of December 31, 2016, BGTT had \$23.5 million in advances outstanding with the FHLB.

As of December 31, 2016, cash of \$850,000 and commercial loans with a carrying value of \$36.3 million have been pledged as collateral for such advances. In connection with the advances, the Company has purchased, as required under the terms of the advances, \$499,200 of FHLB stock.

**(n) Title Insurance Reserve**

Title insurance reserves at December 31 are comprised of the following:

	2016	2015
Reserve for title insurance and unearned title insurance premiums	\$ 131,808	\$ 125,327

The reserve for unearned title insurance premiums has been established and adjusted annually in accordance with Section 3953.11 and Section 1735.03 of the Ohio Revised Code. There are no known claims pending at December 31, 2016.

**NOTES TO FINANCIAL STATEMENTS**

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**(o) Revenues**

- i. Gains from mortgage banking activities includes the initial fair value of MSRs, loan origination fees and gain on the sale of loans originated.
- ii. Servicing fees are earned for servicing mortgage loans, including all activities related to servicing the loans, and are recognized as services are provided over the life of the related mortgage loan.
- iii. The Company earns interest income on loans funded from the time the loan is closed until the loan is sold pursuant to the loan purchase agreement. Warehouse interest income varies based on the period of time between the loan closing and the sale of the loan to the investor and the size of the average balance of the loans held for sale. The Company also earns interest income on loans held to maturity.

**(p) Income Taxes**

Concurrent with the stock purchase, HCI filed elections to treat its C corporation subsidiaries as qualified subchapter S subsidiaries (“Q-Sub”) and accordingly the Company is not subject to federal income tax, however remains subject to applicable local taxes. Prior to the reorganization, the Company was treated as a C corporation and was included as part of the group for federal income tax purposes and also filed separate local tax returns. Through June 30, 2015, the Company provided for federal income taxes pursuant to an intercompany tax sharing agreement with NGC and OGC, which was determined as if the Company filed a separate income tax return. As of June 30, 2015, any tax liabilities owed from the Company to NGC were forgiven and reflected as a capital contribution in the accompanying Statements of Stockholders Equity (see Note 11).

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company uses a more likely than not threshold for recognition and derecognition of tax positions taken or to be taken in a tax return. In accordance with the accounting guidance on the accounting for uncertainty in income taxes, the Company assessed its tax positions for all open tax years as of December 31, 2016, and concluded that it has no material uncertain tax positions requiring recognition. If there are interest and penalties on tax positions, the Company’s policy is to classify these as general and administrative expenses.

**NOTES TO FINANCIAL STATEMENTS**

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**(q) Recently Issued and Adopted Accounting Standards**

The Company adopted the following new accounting pronouncements:

- In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new standard supersedes a majority of existing revenue recognition guidance under U.S. GAAP, and requires a company to recognize revenue when it transfers goods or services to a customer in an amount that reflects the consideration to which a company expects to be entitled. Companies may need to use more judgment and make more estimates while recognizing revenue, which could result in additional disclosures to the financial statements. ASU 2014-09 allows for either a "full retrospective" adoption or a "modified retrospective" adoption. The standard is effective for public companies for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. For all other entities, it is effective for annual reporting periods beginning after December 15, 2017 and interim periods within annual periods beginning after December 15, 2018. A nonpublic entity may elect to apply the guidance in this ASU early with certain restrictions. The Company is currently evaluating the revenue recognition impact this guidance will have on its Financial Statements.

**(2) Accounting Changes and Corrections of Errors**

None.

**(3) Business Combinations and Goodwill**

None during the reporting period.

**(4) Discontinued Operations**

None during the reporting period.

**(5) Investment****(a) Mortgage Loans Held-for-Sale**

Mortgage loans held-for-sale are valued in the aggregate at lower of cost or market. The lower of cost or market is determined by the FNMA bid price for delivery at year end and any buy up or buy down adjustment at December 31. Net unrealized losses, if any, are recognized through a valuation allowance by charges to income. The Company does not retain any interest in these loans after sale, except for MSRs. During the period prior to its sale, interest income on a loan held for sale is calculated in accordance with the terms of the individual loan. The Company established a valuation allowance of \$620,400 as of December 31, 2016 for unrealized losses.

**(b) Allowance for Loan Losses**

The Company recognizes an allowance for loan loss obligations related to certain loans sold to Fannie Mae and HUD/FHA, for which the Company retains recourse. The Company's

**NOTES TO FINANCIAL STATEMENTS**

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assessment of the allowance is based upon the average loss rate incurred by the Company for the trailing six year period. The allowance is determined by multiplying the average annual loss rate by the average projected unpaid principal balance for the coming year.

**(c) Investment Securities**

Securities classified as available-for-sale are equity securities with readily determinable fair values and those debt securities that the Company intends to hold for an indefinite period of time but not necessarily to maturity. Any decision to sell a security classified as available-for-sale would be based on various factors, including significant movement in interest rates, changes in the maturity mix of the Company's assets and liabilities, liquidity needs, regulatory capital considerations, and other similar factors. These securities are carried at estimated fair value based on information provided by a third party pricing service with any unrealized gains or losses excluded from net income and reported in accumulated other comprehensive income (loss), which is reported as a separate component of shareholders' equity.

Interest income, including amortization of premium and accretion of discount arising at acquisition, from all categories of investment securities are included in interest income in the statements of income.

Gains and losses realized on sales of investment securities, determined using the adjusted cost basis of the specific securities sold, are included in noninterest income in the statements of income. Additionally, declines in the estimated fair value of individual investment securities below their cost that are other-than-temporary are reflected as realized losses in the statements of income. Factors affecting the determination of whether an other-than-temporary impairment has occurred include, among other things, (i) the length of time and the extent to which the fair value has been less than cost, (ii) the financial condition and near term prospects of the issuer, (iii) that the Company does not intend to sell these securities, and (iv) it is more likely than not that the Company will not be required to sell before a period of time sufficient to allow for any anticipated recovery in fair value.

Restricted stock is stock from the Federal Home Loan Bank of Cincinnati ("FHLB"), which is restricted as to its marketability. Because no ready market exists for these investments and they have no quoted market value, the Bank's investment in these stocks are carried at cost.

**(6) Joint Ventures, Partnerships and LLCs**

None.

**NOTES TO FINANCIAL STATEMENTS**

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**(7) Investment Income****(a) Revenues**

- i. Gains from mortgage banking activities includes the initial fair value of MSRs, loan origination fees and gain on the sale of loans originated.
- ii. Servicing fees are earned for servicing mortgage loans, including all activities related to servicing the loans, and are recognized as services are provided over the life of the related mortgage loan.
- iii. The Company earns interest income on loans funded from the time the loan is closed until the loan is sold pursuant to the loan purchase agreement. Warehouse interest income varies based on the period of time between the loan closing and the sale of the loan to the investor and the size of the average balance of the loans held for sale. The Company also earns interest income on loans held to maturity.

**(8) Derivative Instruments**

None.

**(9) Income Taxes****(a) Income Taxes**

Concurrent with the stock purchase, HCI filed elections to treat its C corporation subsidiaries as qualified subchapter S subsidiaries (“Q-Sub”) and accordingly the Company is not subject to federal income tax, however remains subject to applicable local taxes. Prior to the reorganization, the Company was treated as a C corporation and was included as part of the group for federal income tax purposes and also filed separate local tax returns. Through June 30, 2015, the Company provided for federal income taxes pursuant to an intercompany tax sharing agreement with NGC and OGC, which was determined as if the Company filed a separate income tax return. As of June 30, 2015, any tax liabilities owed from the Company to NGC were forgiven and reflected as a capital contribution in the accompanying Statements of Stockholders Equity (see Note 11).

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company uses a more likely than not threshold for recognition and de-recognition of tax positions taken or to be taken in a tax return. In accordance with the accounting guidance on the accounting for uncertainty in income taxes, the Company assessed its tax positions for all open tax years as of December 31, 2016, and concluded that it has no material uncertain tax positions requiring recognition. If there are interest and penalties on tax positions, the Company’s policy is to classify these as general and administrative expenses.

**NOTES TO FINANCIAL STATEMENTS****(10) Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties****(a) Related-Party Transactions****i) Expense Allocations**

Certain expenses of the Company are paid by HCBS. These expenses included (i) the actual costs to the Parent Company of goods, materials and services used for and obtained by the Company from unaffiliated parties, and (ii) the costs of certain personnel employed by the Parent Company and directly involved in the organization and business of the Company and for legal, accounting, administration, data processing, duplication and other miscellaneous costs or services performed by employees or officers of the Parent Company.

For the period July 1, 2015 through December 31, 2015, these costs amounted to \$22,715 and are recorded as "General and Administrative" costs on the Statements of Operations. During 2016 these costs amounted to \$ 0. Any amounts outstanding as of December 31, 2016 and 2015 are reflected in "Due to Affiliates" on the Balance Sheets.

**(b) Transactions With Parent Company**

Prior to June 30, 2015, NGC owned 98.42% of the capital stock of the Company. Effective June 30, 2015, NGC became the sole shareholder of the Company. Periodically, NGC advanced and/or borrowed funds to or from the Company for operational needs. Those advances bear interest. There were interest charges paid to NGC of \$10,645 during 2015 and there were no outstanding advances as of December 31, 2016 or 2015 between the companies.

In connection with the stock sale by HCH on June 30, 2015, NGC forgave advances outstanding to the Company totaling \$2,590,009 as a contribution to capital.

**(c) Transactions With Subsidiary**

Prior to June 30, 2015, the Company contributed certain assets and liabilities to OGC as follows:

Mortgage loans available for sale	\$ 1,856,219
Real estate available for sale	1,208,878
Accrued income tax due Bankers	491,253
Advances due from Bankers	(499,800)
Net contributed capital	<u>\$ 3,056,550</u>

The Company then distributed all of the stock of OGC in the form of a stock dividend to the shareholders of the Company. The OGC shares received by NGC were then immediately distributed the individual shareholders of NGC, also in the form of a stock dividend. The dividend was recorded based upon the book value of OGC and totaled \$3,119,488.

**NOTES TO FINANCIAL STATEMENTS****(11) Debt****(a) Short-Term Borrowings Under Warehouse Facilities**

The Company had a \$10,000,000 warehouse facility available to fund loan originations. The facility bears interest at LIBOR plus a margin and is secured by promissory notes and mortgage deeds of un-sold loans. The facility expired on May 31, 2015 and was not renewed.

**(b) Long-Term Obligations**

For the years ended December 31, 2016 and 2015, long-term obligations consisted of the following:

	2016	2015
Advances payable over 120 months including principal and interest with rates ranging from 2.70% to 3.00%	\$ 130,635	\$ 194,069
Advance payable in monthly installments of \$11,859 at 1.75% and a balloon payment of \$1,885,366 due April, 2019.	2,117,615	2,221,875
Advance with interest only payable monthly at 4.07% callable quarterly after one year and due December, 2016	-0-	1,000,000
Advance with interest only payable monthly at 0.99% and due September, 2017	1,000,000	-0-
Advance with interest only payable monthly at 0.72% and due April, 2017	20,231,600	-0-
	23,479,850	3,415,944
Less: current maturities	(21,394,409)	(1,167,694)
	\$ 2,085,441	\$ 2,248,250
Long-term debt maturing in succeeding years is:		
December 31,	2017	21,394,409
	2018	158,636
	2019	1,926,805
		\$ 23,479,850

**(12) Retirement Plans, Deferred Compensation, Postemployment Benefits****(a) Pension Plan**

The Company has a non-contributory defined benefit pension plan covering all full-time employees. The Company funds the pension plan by payment to an employee pension trust. Due to the over-funded status of the plan, no contributions were made in 2015.

On December 29, 2014, the Board of Directors approved an amendment to the Plan to cease the accrual of benefits and freeze the Plan effective December 31, 2014. The Board of Directors then

**NOTES TO FINANCIAL STATEMENTS**

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authorized the Company to proceed with terminating the Plan, and the Plan was terminated effective March 31, 2015.

In accordance with the plan of termination, the assets of the plan were distributed for the benefit of the plan participants and the Company wrote off the prepaid pension cost resulting in an expense of \$2,232,358, a deferred tax benefit of \$310,036 and other comprehensive income of \$688,989 for the year ended December 31, 2015.

No other plans exist.

**(13) Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations****(a) Paid In Capital**

Effective July 31, 2016, the parent company contributed assets with a fair value of \$41,869,193 and received cash from the Company of \$20,231,600, resulting in a net contribution to paid in capital of \$21,637,593.

**(14) Liabilities, Contingencies and Assessments****(a) Commitments and Contingencies****(a) Lease Obligations**

The Company was party to one non-cancelable lease contract as of December 31, 2015 for office space. The lease required monthly rental payments of \$4,494 and expired in December, 2016. Effective December 15, 2016, the Company entered into a lease for new office space. The lease is for 60 months and requires base monthly rental payments ranging from \$5,008 to \$5,278 over the term of the lease. The Company is recognizing lease expense on a straight line basis based upon the total minimum lease payments required over the term of the lease.

Annual rent expenses incurred under these leases totaled \$60,714 and \$54,699 for the years ended December 31, 2016 and 2015 respectively.

**(b) GSE Related Commitments**

Commitments for the origination and subsequent sale and delivery of loans to GSEs represent those mortgage transactions where the borrower has locked an interest rate and scheduled closing and the Company has entered into a mandatory delivery commitment to sell the loan to the GSEs. At December 31, 2016, the Company had \$2,123,125 of these commitments, of which \$729,400 have already been funded. These loans are recorded at fair value and are included in "Mortgage loans held-for-sale" on the Balance Sheets.

**(c) Other**

Due to the nature of the Company's mortgage banking activities, the Company is subject to supervision by certain GSEs. Among other things, these agencies require the Company to meet certain minimum net worth requirements, as defined. The Company met these requirements for all agencies, as applicable, with the highest net worth requirement being \$3.528 million and \$3.518 million, as of December 31, 2016 and 2015, respectively.

**NOTES TO FINANCIAL STATEMENTS**

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**(15) Leases****(a) Lease Obligations**

The Company was party to one non-cancelable lease contract as of December 31, 2015 for office space. The lease required monthly rental payments of \$4,494 and expired in December, 2016. Effective December 15, 2016, the Company entered into a lease for new office space. The lease is for 60 months and requires base monthly rental payments ranging from \$5,008 to \$5,278 over the term of the lease. The Company is recognizing lease expense on a straight line basis based upon the total minimum lease payments required over the term of the lease.

Annual rent expenses incurred under these leases totaled \$60,714 and \$54,699 for the years ended December 31, 2016 and 2015 respectively.

**(16) Information About Financial Instruments with Off-Balance Sheet Risk**

None reported.

**(17) Sales, Transfers and Servicing of Financial Assets and Extinguishments of Liabilities**

Reported within the body of these notes in other sections.

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

N/A – Title.

**(19) Direct Premiums Written/Produced by Managing General Agents/Third Parties**

N/A – Title.

**(20) Fair Value Measurement****(a) Fair Value of Financial Instruments**

The Company uses valuation techniques that are consistent with the market approach, the income approach and/or the cost approach to measure assets and liabilities that are measured at fair value. Inputs to valuation techniques are based on assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, those that reflect the assumptions market participants would use in valuing the asset or liability based on market data obtained from independent sources, or unobservable, those that reflect the assumptions about the valuation techniques and inputs market participants would use in valuing the asset or liability based on the best information available in the circumstances. In that regard, accounting standards establish a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- *Level 1*—Financial assets and liabilities whose values are based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- *Level 2*—Financial assets and liabilities whose values are based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for *similar* assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are

## NOTES TO FINANCIAL STATEMENTS

observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.

- *Level 3*—Financial assets and liabilities whose values are based on inputs that are both unobservable and significant to the overall valuation.

Where inputs used to measure fair value may fall into different levels of the fair value hierarchy, the Company categorizes such financial asset or liability based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability that a market participant would use.

### *Assets and Liabilities Not Measured at Fair Value*

For cash and cash equivalents, restricted cash, accounts receivables, short-term borrowings and allowance for risk-sharing obligations, recorded values approximate fair value due to their terms, or their liquid or short-term nature.

MSRs are carried at the lower of amortized cost or estimated fair value. When the carrying value of MSRs exceeds fair value, the Company recognizes impairment charges through earnings; fair value in excess of the amount capitalized is not recognized. The Company's MSRs do not trade in an active, open market with readily observable prices. Accordingly, the Company estimates the fair value based on market information with the assistance of third-party valuation specialists. To determine impairment, the mortgage servicing portfolio is stratified by the risk characteristics of the underlying mortgage loans, and the Company compares the estimated fair value of each stratum to its carrying value (see Note 4). Management has determined that the predominant risk characteristics of the Company's servicing portfolio is interest rate and type of loan. As of December 31, 2016 and 2015, the fair value of each stratum of our MSR portfolio exceeded the amortized cost. The following table presents information about the Company's MSRs:

MSRs	2016	2015
Carrying value	\$ 1,575,330	\$ 1,957,329
Fair value	\$ 2,161,800	\$ 2,220,825

Mortgage loans held-for-sale are valued, in the aggregate at lower of cost or market. The lower of cost or market is determined by the FNMA bid price for delivery at year end and any buy up or buy down adjustment at December 31. The carrying values of loans held for sale as of December 31, 2016 and 2015 were \$17,247,618 and \$1,626,830 respectively, net of allowance for loan losses of \$620,400 and \$-0- respectively.

Mortgages held to maturity consists of both commercial and residential real estate loans. The Company reviews each of these loans annually to determine if there is any potential loss in value and records specific loan loss reserves as necessary. The following table presents information about the Company's mortgages held to maturity:

2016	2015
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**NOTES TO FINANCIAL STATEMENTS**

Carrying value		
Commercial loans	\$ 19,823,891	\$ 6,705,956
Related party commercial loan	583,822	-0-
Residential loan	270,655	-0-
Unamortized discount	(78,140)	-0-
	20,600,228	6,705,956
Less: Valuation allowance	-0-	(938,366)
Fair value	\$ 20,600,228	\$ 5,767,590

Investment securities consist of a commercial bond issued by Jefferies, LLC. The estimated fair of this security is based upon indications of interest, bids, offers, last sales price, or other sources prevailing as of the close of business closest to December 31, 2016. The following table presents information about this investment security:

	2016	2015
Carrying value	\$ 8,124,000	\$ -0-
Unrealized loss	(15,000)	-0-
Fair value	\$ 8,109,000	\$ -0-

**(21) Other Items****(a) Other Assets**

Other assets consist of the following at December 31:

	2016	2015
FHLB stock	\$ 499,200	\$ 355,100
FNMA stock	63	63
Real estate held for sale (note A)	55,299	55,299
Deposits	8,579	659
	\$ 563,141	\$ 411,121

**(22) Events Subsequent****(a) Subsequent Events**

Management evaluated all activity of The Bankers Guarantee Title & Trust Company and Subsidiary through February 28, 2017, the date the financial statements were available to be issued, and concluded that the following subsequent events have occurred that would require disclosure in the notes to the financial statements.

**(23) Reinsurance**

None.

**(24) Retrospectively Rated Contracts & Contracts Subject to Redetermination**

N/A – Title

**NOTES TO FINANCIAL STATEMENTS**

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**(25) Changes in Incurred Losses and Loss Adjustment Expenses**

None.

**(26) Intercompany Pooling Arrangements**

None.

**(27) Structured Settlements**

None.

**(28) Supplemental Reserves**

None.

**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 (X)
- 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: .....
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ( )  
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes ( ) No (X)
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.  
.....
- 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 the response to 4.1 is yes, provide the 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 Name of Entity	2 NAIC Company Code	3 State of Domicile
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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 ( ) N/A (X)
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 03/01/2013
- 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. 12/31/2012
- 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). 05/31/2013
- 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 ( ) No ( ) N/A (X)
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes ( ) No ( ) N/A (X)
- 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 ( ) No (X)
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes ( ) No (X)
- 8.4 If 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 Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
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- 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?  
(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. Yes (X) No ( )
- 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)
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).  
.....  
.....

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**

**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 the amounts receivable from parent included in the Page 2 amount: \$ .....

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

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes ( ) No (X)

14.2 If yes, please complete the following:

	1 Prior Year-End Book/ Adjusted Carrying Value	2 Current Quarter Book/ Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....	\$ .....
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26) .....	\$ .....	\$ .....
14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above .....	\$ .....	\$ .....

- 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. For the reporting entity's security lending program, state the amount of the following as of current statement date:  
 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....  
 16.2 Total book adusted /carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....  
 16.3 Total payable for securities lending reported on the liability page \$ .....

17. 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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ( )

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

1 Name of Custodian (s)	2 Custodian Address
Federal Home Loan Bank Cincinnati .....	Cincinnati, OH .....
Wells Fargo Bank .....	Columbia, MD .....

- 17.2 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 Name(s)	2 Location (s)	3 Complete Explanation(s)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes ( ) No (X)

- 17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

- 17.5 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["... that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes ( ) No (X)

- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes ( ) No (X)

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes ( ) No (X)

- 18.2 If no, list exceptions:

Exemption on filing

**GENERAL INTERROGATORIES**

**PART 2 - TITLE INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement of the reporting entity's participation change? Yes ( ) No ( ) N/A (X)  
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes ( ) No (X)

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes ( ) No (X)

3.2 If yes, give full and complete information thereto  
 .....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses discounted to present value at a rate of interest greater than zero? Yes ( ) No (X)

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL

5.1 Reporting entity assets listed on Page 2 include the following segregated assets of the Statutory Premium Reserve or other similar statutory reserves:

5.11 Bonds	\$ .....
5.12 Short-term investments	\$ ..... 125,522
5.13 Mortgages	\$ .....
5.14 Cash	\$ .....
5.15 Other admissible invested assets	\$ .....
5.16 Total	\$ ..... 125,522

5.2 List below segregated funds held for others by the reporting entity, set apart in special accounts and excluded from entity assets and liabilities.  
 (These funds are also included in Schedule E - Part 1 and the "From Separate Accounts, Segregated Accounts and Protected Cell Accounts" line on Page 2 except for escrow funds held by Title insurers)

5.21 Custodial funds not included in this statement were held pursuant to the governing agreements of custody in the amount of: These funds consist of:	\$ .....
5.22 In cash on deposit	\$ .....
5.23 Other forms of security	\$ .....

**Page 9**

Schedule F - Ceded Reinsurance

**NONE**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - By States and Territories

States, etc.	1		Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Known Claim Reserve	
	Active Status		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	N						
2. Alaska	AK	N						
3. Arizona	AZ	N						
4. Arkansas	AR	N						
5. California	CA	N						
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	N						
9. District of Columbia	DC	N						
10. Florida	FL	N						
11. Georgia	GA	N						
12. Hawaii	HI	N						
13. Idaho	ID	N						
14. Illinois	IL	N						
15. Indiana	IN	N						
16. Iowa	IA	N						
17. Kansas	KS	N						
18. Kentucky	KY	N						
19. Louisiana	LA	N						
20. Maine	ME	N						
21. Maryland	MD	N						
22. Massachusetts	MA	N						
23. Michigan	MI	N						
24. Minnesota	MN	N						
25. Mississippi	MS	N						
26. Missouri	MO	N						
27. Montana	MT	N						
28. Nebraska	NE	N						
29. Nevada	NV	N						
30. New Hampshire	NH	N						
31. New Jersey	NJ	N						
32. New Mexico	NM	N						
33. New York	NY	N						
34. North Carolina	NC	N						
35. North Dakota	ND	N						
36. Ohio	OH	L	1,516	64,209	1,516			
37. Oklahoma	OK	N						
38. Oregon	OR	N						
39. Pennsylvania	PA	N						
40. Rhode Island	RI	N						
41. South Carolina	SC	N						
42. South Dakota	SD	N						
43. Tennessee	TN	N						
44. Texas	TX	N						
45. Utah	UT	N						
46. Vermont	VT	N						
47. Virginia	VA	N						
48. Washington	WA	N						
49. West Virginia	WV	N						
50. Wisconsin	WI	N						
51. Wyoming	WY	N						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U. S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CAN	N						
58. Aggregate Other Alien	OT	XXX						
59. Totals	(a)	1	1,516	64,209	1,516			
<b>DETAILS OF WRITE-INS</b>								
58001		XXX						
58002		XXX						
58003		XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page		XXX						
58999. TOTALS (Line 58001 through Line 58003 plus Line 58998) (Line 58 above)		XXX						

(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.

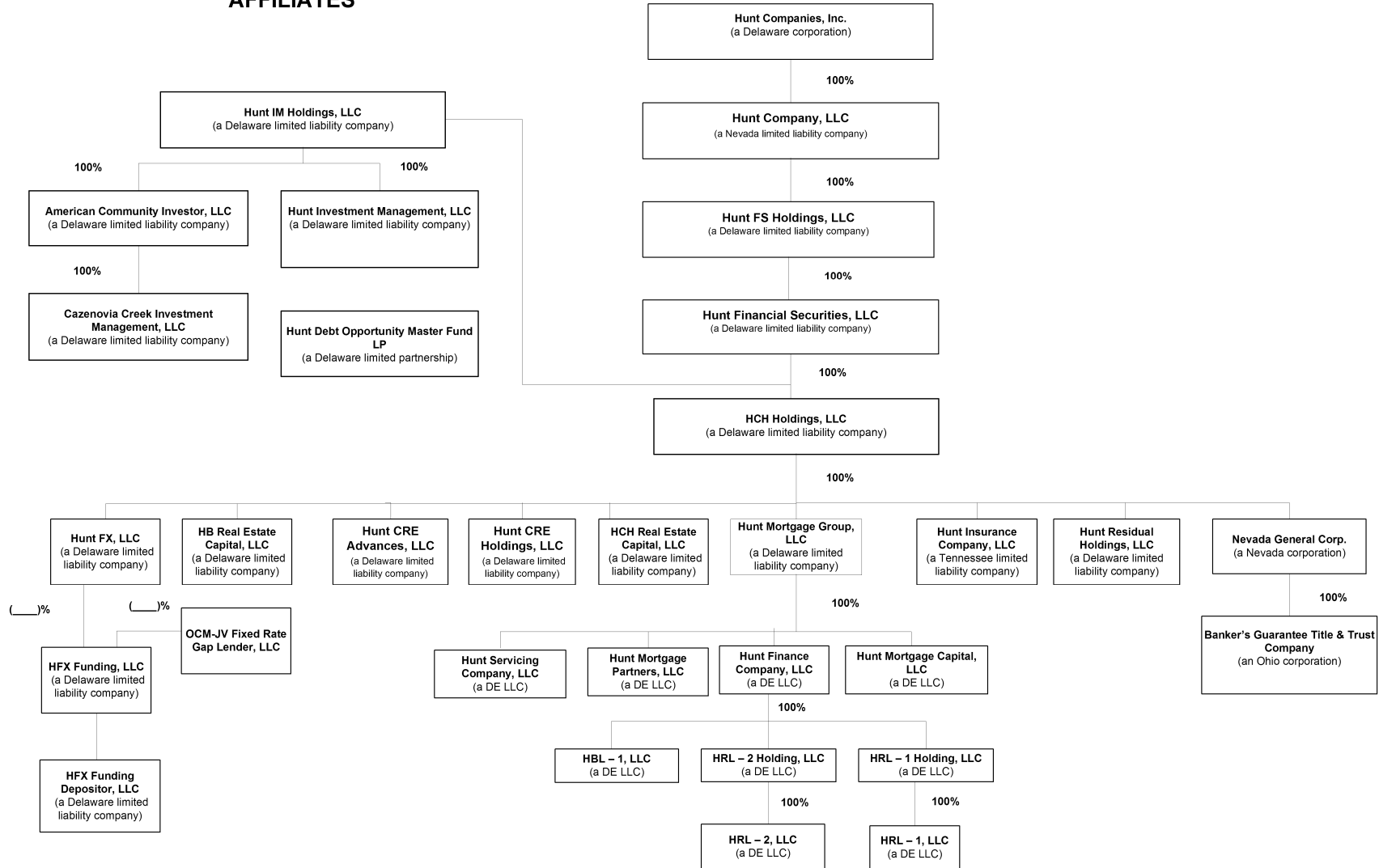
(a) Insert the number of "L" responses except for Canada and Other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES  
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**

**HUNT FINANCIAL SECURITIES, LLC AND  
AFFILIATES**

\*\*CONFIDENTIAL\*\*



**Page 12**  
Schedule Y, Part 1A  
**NONE**

Schedule Y, Part 1A, Explanation  
**NONE**

**PART 1 - LOSS EXPERIENCE**

	Current Year to Date				5 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Written	2 Other Income (Page 4, Line 1.2 plus Line 1.3 plus Line 2)	3 Direct Losses Incurred	4 Direct Loss Percentage Column 3 / (Column 1 plus Column 2)	
1. Direct operations .....					
2. Agency operations:					
2.1 Non-affiliated agency operations .....		1,060,053			
2.2 Affiliated agency operations .....					
3. Totals .....		1,060,053			

**PART 2 - DIRECT PREMIUMS WRITTEN**

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Direct operations .....			
2. Agency operations:			
2.1 Non-affiliated agency operations .....	1,516	1,516	64,209
2.2 Affiliated agency operations .....			
3. Totals .....	1,516	1,516	64,209

**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	55,299	55,299
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals	(10,637)	
5. Deduct amounts received on disposals	44,662	
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other-than-temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 minus Line 5 plus Line 6 minus Line 7 minus Line 8)		55,299
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		55,299

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	37,000,001	7,338,056
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	17,201,944	75,334,608
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	(1,593,184)	(907,768)
6. Total gain (loss) on disposals	14,348	37,739
7. Deduct amounts received on disposals	12,638,333	44,802,634
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)	39,984,776	37,000,001
12. Total Valuation Allowance		
13. Subtotal (Line 11 plus Line 12)	39,984,776	37,000,001
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	39,984,776	37,000,001

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,575,330	1,957,329
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		214,615
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		596,614
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)	1,575,330	1,575,330
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	1,575,330	1,575,330

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	8,608,263	355,163
2. Cost of bonds and stocks acquired	12,002,506	8,268,100
3. Accrual of discount		
4. Unrealized valuation increase (decrease)	(985,760)	(15,000)
5. Total gain (loss) on disposals		
6. Deduct consideration for bonds and stocks disposed of		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 minus Line 6 minus Line 7 plus Line 8 minus Line 9)	19,625,009	8,608,263
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	19,625,009	8,608,263

**SCHEDULE D - PART 1B**

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a) .....								
2. NAIC 2 (a) .....								
3. NAIC 3 (a) .....	8,109,000	12,002,506		(486,497)	19,625,009			8,109,000
4. NAIC 4 (a) .....								
5. NAIC 5 (a) .....								
6. NAIC 6 (a) .....								
7. Total Bonds .....	8,109,000	12,002,506		(486,497)	19,625,009			8,109,000
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....								
9. NAIC 2 .....								
10. NAIC 3 .....								
11. NAIC 4 .....								
12. NAIC 5 .....								
13. NAIC 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds & Preferred Stock .....	8,109,000	12,002,506		(486,497)	19,625,009			8,109,000

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

**Page SI03**  
Schedule DA, Part 1  
**NONE**

Schedule DA, Verification  
**NONE**

**Page SI04**  
Schedule DB, Part A, Verification  
**NONE**

Schedule DB, Part B, Verification  
**NONE**

**Page SI05**  
Schedule DB, Pt. C, Section 1, Replicated (Synthetic Assets) Open  
**NONE**

**Page SI06**  
Sch DB, Pt C, Sn 2, Replication (Syn Assets) Transactions Open  
**NONE**

**Page SI07**  
Schedule DB, Verification  
**NONE**

**Page SI08**  
Schedule E, Verification (Cash Equivalents)  
**NONE**

**Page E01**  
Sch. A, Pt. 2, Real Estate Acquired  
**NONE**

Sch. A, Pt. 3, Real Estate Disposed  
**NONE**

STATEMENT AS OF MARCH 31, 2017 OF THE BANKERS GUARANTEE TITLE & TRUST CO

**SCHEDULE B - PART 2**

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE during the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Actual Cost at Time of Acquisition	8 Additional Investment Made After Acquisition	9 Value of Land and Buildings
	2 City	3 State						
Mortgages in good standing - Farm Mortgages								
4000029	Meyers	FL		12/15/2015	4.880	3,480,000		4,650,000
4000181	Mentor	OH		01/29/2016	5.100	2,659,094		3,830,000
4000008	Irving	TX		12/17/2015	4.930	6,725,000		9,450,000
0199999 - Mortgages in good standing - Farm Mortgages								
						12,864,094		17,930,000
Mortgages in good standing - Residential Mortgages - all other various								
						4,337,850		
0399999 - Mortgages in good standing - Residential Mortgages - all other								
						4,337,850		
0899999 - TOTAL Mortgages in good standing (sum of 0199999 through 0799999)						17,201,944		17,930,000
3399999 - TOTAL Mortgages (sum of 0899999, 1699999, 2499999 and 3299999)						17,201,944		17,930,000

**SCHEDULE B - PART 3**

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

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Change in Book Value/Recorded Investment						14 Book Value/Recorded Investment Excluding Accrued Interest on Disposal	15 Consideration	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal
	2 City	3 State					8 Unrealized Valuation Increase (Decrease)	9 Current Year's (Amortization) / Accretion	10 Current Year's Other-Than-Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8+9-10+11)	13 Total Foreign Exchange Change in Book Value					
Mortgages closed by repayment																	
various	various	OH		01/01/2017	03/31/2017	14,217,169	(1,593,184)					(1,593,184)		12,638,333		14,348	14,348
0199999 - Mortgages closed by repayment						14,217,169	(1,593,184)					(1,593,184)		12,638,333		14,348	14,348
0599999 - TOTAL						14,217,169	(1,593,184)					(1,593,184)		12,638,333		14,348	14,348

**Page E03**

Sch. BA, Pt. 2, Other Long-Term Invested Assets Acquired

**NONE**

Sch. BA, Pt. 3, Other Long-Term Invested Assets Disposed

**NONE**

**SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous (Unaffiliated)									
47231A-AB-5	Jefferies Military Housing		03/24/2017	Wells Fargo		12,002,506	93,000,000.00		Z
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					12,002,506	93,000,000.00		
8399997	Subtotal - Bonds - Part 3					12,002,506	93,000,000.00		
8399999	Subtotal - Bonds					12,002,506	93,000,000.00		
9999999	TOTALS					12,002,506			

E04

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

**Page E05**

Schedule D, Part 4, Long-Term Bonds and Stocks Disposed Of

**NONE**

**Page E06**

Schedule DB, Part A, Section 1

**NONE**

Description of Hedged Risk (s)

**NONE**

Financial or Economic Impact of the Hedge

**NONE**

**Page E07**

Schedule DB, Part B, Section 1

**NONE**

Schedule DB, Part B, Section 1, Broker Name

**NONE**

Schedule DB, Part B, Description of Hedged Risk (s)

**NONE**

Schedule DB, Part B, Financial or Economic Impact of the Hedge

**NONE**

**Page E08**

Schedule DB, Part D, Section 1

**NONE**

**Page E09**

Schedule DB, Part D, Section 2, By Reporting Entity

**NONE**

Schedule DB, Part D, Section 2, To Reporting Entity

**NONE**

**Page E10**

Schedule DL, Part 1

**NONE**

**Page E11**

Schedule DL, Part 2

**NONE**

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository  Name                      Location and Supplemental Information		2  Code	3  Rate of Interest	4  Amount of Interest Received During Current Quarter	5  Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6  First Month	7  Second Month	8  Third Month	
Open Depositories -- Section (B) -- General Funds									
..... JP MOrgan .....						12,590,650	12,115,973	14,636,537	
0299999 - TOTAL - Open Depositories -- Section (B) -- General Funds .....						12,590,650	12,115,973	14,636,537	
0499999 - TOTAL - Open Depositories .....						12,590,650	12,115,973	14,636,537	
0999999 - TOTAL Cash on Deposit .....						12,590,650	12,115,973	14,636,537	
1199999 - TOTAL Cash .....						12,590,650	12,115,973	14,636,537	

**Page E13**

Schedule E, Part 2, Cash Equivalents

**NONE**