

**National Warranty Insurance Risk Retention Group
(in Official Liquidation)**

Status report by the Joint Official Liquidators dated 24 March 2005

Contents

Glossary	3
Legal and regulatory issues	
Reporting	6
Cayman liquidation proceedings and Committee	7
Proposed alternative to traditional claims adjudication	8
Proceedings under section 304 of the US Bankruptcy Code	9
Warranty Gold	10
Triad	12
Reinsurance	13
Directors' resolution dated 22 May 2003	14
Action against NWIG's former auditors and actuaries	15
Legal action in Nevada	16
US government and state regulators	17
Potential appointment of a third liquidator	18
Adversary proceeding against National Card, L.L.C.	19
Liquidation progress	
Time and costs	21
Receipts and payments	22

Appendices:

- A. JPLs', JOLs' and Advisors' Fees - invoiced and paid as at 31 January 2005
- B. The JPLs' and JOLs' account of receipts and payments for the periods: 6 June 2003 – 31 July 2003 and 1 August 2003 – 31 January 2005
- C. The JOLs' account of receipts and payments for the period 1 August 2005 to 31 January 2005

©2005 KPMG, a partnership established under Cayman Island law and a member firm of KPMG International, a Swiss cooperative.
All rights reserved.

Printed in the Cayman Islands.
The KPMG logo and name are trademarks of KPMG International.

Glossary

KPMG Contacts:

Keith Blake

Ph: +1 345 914-4378

Fax: +1 345 949-7164

keithblake@kpmg.ky

Jess Shakespeare

Ph: +1 345 914-4405

Fax: +1 345 949-7164

jessshakespeare@kpmg.ky

\$	The US Dollar, the currency of the US
ASR	American Safety Reinsurance Limited
BAP	United States Bankruptcy Appellate Panel for the Eighth Circuit
<i>The Cayman Court</i>	The Grand Court of the Cayman Islands
CIMA	Cayman Islands Monetary Authority
<i>Committee</i>	Liquidation Committee established by the JOLs pursuant to an order of the Cayman Court dated 29 October 2003
<i>Deloitte</i>	Deloitte: Deloitte & Touche USA LLP; Deloitte & Touche LLP and Deloitte Consulting LLP, NWIG's former auditors
<i>FNB Omaha</i>	First National Bank of Omaha
GAO	The US General Accounting Office
JPLs	Joint Provisional Liquidators, Theo Bullmore and Simon Whicker
JOLs	Joint Official Liquidators, Theo Bullmore and Simon Whicker
<i>KPMG LLP, Nebraska</i>	<i>KPMG LLP, the member firm of KPMG International in the United States in Lincoln</i>
<i>Milliman</i>	Milliman USA, NWIG's former actuary
NAIC	National Association of Insurance Commissioners in the US
NWIG	National Warranty Insurance Risk Retention Group (in Official Liquidation)
<i>Plan</i>	Warranty Gold's Disclosure Statement and Liquidation Plan
<i>Pro</i>	Pro Distributors Inc.
<i>Reinsurance Agreement</i>	Aggregate Excess of Loss Reinsurance Agreement between NWIG and ASR dated 2 January 2003
SC&E	SC&E Administrative Services Inc – a group member of NWIG and a company in the Deltagroup

Glossary continued

KPMG Contacts:

Keith Blake

Ph: +1 345 914-4378

Fax: +1 345 949-7164

keithblake@kpmg.ky

Jess Shakespeare

Ph: +1 345 914-4405

Fax: +1 345 949-7164

jessshakespeare@kpmg.ky

<i>Triad</i>	Triad Marketing Group LLC – a group member of NWIG
<i>The US Bankruptcy Court</i>	The US Bankruptcy Court District of Nebraska
<i>VSC</i>	Vehicle Service Contract
<i>VSC holders</i>	Purchasers of VSCs sold, marketed or issued by NWIG's group members
<i>Warranty Gold</i>	Warranty Gold – a group member of NWIG
<i>Warranty Gold Bankruptcy Court</i>	US Bankruptcy Court for the Western District of Texas

Legal and regulatory issues

Reporting

Cayman liquidation proceedings and Committee

Proposed alternative to traditional claims adjudication

Proceedings under section 304 of the US Bankruptcy Code

Warranty Gold

Triad

Reinsurance

Directors' resolution dated 22 May 2003

Action against NWIG's former auditors and actuaries

Legal action in Nevada

US government and state regulators

Potential appointment of a third liquidator

Adversary proceeding against National Card, L.L.C.

Reporting

- n The JOLs have compiled this status report for the benefit of the US Bankruptcy Court. It will also be posted on NWIG's website (www.nwig.com) for the reference of those with an interest in NWIG's estate.
- n The figures in this report are in respect of the six month period ending 31 January 2005, but the JOLs have attempted to make the narrative sections as up to date as possible.

Cayman liquidation proceedings and Committee

- n Theo Bullmore and Simon Whicker were appointed Joint Provisional Liquidators of NWIG on 6 June 2003.
- n Theo Bullmore and Simon Whicker were appointed Joint Official Liquidators of NWIG on 1 August 2003.
- n By an order dated 29 October 2003, the JOLs were authorised to establish a liquidation committee to assist them in carrying out their functions.
- n On 22 March 2004, AutoNation Inc. resigned their membership of the Committee.
- n The JOLs have held Committee meetings on 24 March 2004, 30 June 2004 and 9 December 2004.
- n The Committee and the JOLs are considering the most appropriate and cost-effective claims adjudication procedure for the NWIG estate. This is described in more detail on page 8.
- n Other significant matters dealt with or being considered by the Committee are set out below and where applicable, discussed in further detail elsewhere in this report:
 - Potential actions against NWIG's auditors and other professionals
 - Potential appointment of a third liquidator

Proposed alternative to traditional claims adjudication

- n At the first Committee meeting on 24 March 2004 the JOLs drew the Committee's attention to the fact that the nature of the NWIG estate means that a traditional claims adjudication process would involve considerable (and potentially disproportionate) costs to the NWIG estate. The JOLs suggested that the Committee and the JOLs work together to reach a more cost effective alternative. The Committee members agreed to work with the JOLs to develop proposals for an alternative to a traditional claims adjudication process.
- n A second Committee meeting was held on 30 June 2004 at which the JOLs recommended to the Committee that a Scheme of Arrangement in accordance with Cayman Islands law was a potential alternative to a traditional claims adjudication. The JOLs' response to the NAIC dated 27 July 2004, that has been posted on NWIG's website (www.nwig.com), provides a detailed explanation of the potential benefits of a scheme of arrangement, and the JOLs' views at that stage as to how a scheme of arrangement would be structured.
- n A third Committee meeting was held on 9 December 2004. It was explained that members of the Committee who enter into bankruptcy proceedings would be able to obtain authorities and proxies from their underlying VSC holders via the relevant Committee members' plans of reorganisation. These proxies would allow any relevant Committee members to vote for a scheme of arrangement on behalf of all of their underlying VSC holders (except any that choose to opt-out for voting purposes). It is the JOLs' view that this would significantly streamline the VSC holder notification process and therefore benefit the underlying VSC holders. If such authorities can be obtained it is envisaged that those proportions of the NWIG estate attributable to the relevant Committee members and their underlying VSC holders will be distributed to the relevant Committee members themselves pursuant to the terms of those authorities, in contrast to the proposals outlined in the letter to the NAIC.
- n The JOLs therefore propose to allow limited time for Warranty Gold to seek to implement its plan and obtain the relevant authorities. If Warranty Gold is unable to implement their plan and/or obtain such authorities promptly then the JOLs intend to proceed with a scheme of arrangement as soon as possible.
- n It should be noted that there remain a number of logistical and procedural hurdles involved in implementing such a scheme. If these logistical hurdles cannot be overcome promptly then, given the passage of time since the JOLs first explored the possibility of a scheme of arrangement, the JOLs propose to implement a traditional claims adjudication within a short time thereafter.

Proceedings under section 304 of the US Bankruptcy Code

- n By an order dated 19 August 2003, the U.S. Bankruptcy Court made permanent the terms of a temporary restraining order that was initially entered on 20 June 2003. The order effectively assists the Cayman liquidation proceedings by preventing the commencement of proceedings against NWIG in the U.S. As a result NWIG's U.S. assets are protected against litigation and administered by the JOLs in accordance with Cayman Islands insolvency law.
- n The permanent injunction was opposed on behalf of Phyllis Hoffman by an appeal filed on 12 November 2003 with the BAP. In response, attorneys acting on behalf of the JOLs filed a brief and a motion to strike on 19 December 2003.
- n The BAP hearing of Ms. Hoffman's appeal took place on 13 February 2004. On 5 March 2004, the BAP upheld the decision of the U.S. Bankruptcy Court in all aspects.
- n Ms. Hoffman appealed the BAP decision to the Eighth Circuit Court of Appeals. The second stage appeal hearing was held on 26 August 2004. By order entered on 24 September 2004, the Eighth Circuit Court of Appeals affirmed the decision of the U.S. Bankruptcy Court.
- n The relevant time periods within which Ms. Hoffman could have requested further review, either in the Eighth Circuit Court of Appeals or in the United States Supreme Court, have now expired without any such request having been made.

Warranty Gold

- n As reported in the JOLs' report to the Cayman Court dated 30 August 2004, Warranty Gold is seeking full liquidation through a bankruptcy proceeding in the Warranty Gold Bankruptcy Court. On 1 December 2004, Warranty Gold reported to the Warranty Gold Bankruptcy Court that it had received a total of 16,450 claims. The vast majority of those claims were filed by VSC holders.
- n The JOLs filed a claim in the Warranty Gold Bankruptcy in the amount of \$1,169,126. Of that total, \$22,810 represents amounts due from Warranty Gold to NWIG for contracts submitted by Warranty Gold to NWIG prior to the commencement of NWIG's liquidation, but for which payment was not submitted. The remaining portion of the claim represents a total of \$1,146,316 that is claimed to have been erroneously paid by NWIG to Warranty Gold from a reserve account in the name of "Triad Marketing LLC National Warranty Insurance Co. Trust Account."
- n Several attorneys have asserted competing claims to represent all Warranty Gold VSC holders through a "class claim" in the Warranty Gold Bankruptcy. Under U.S. law, that would permit a single attorney (or group of attorneys) to represent all Warranty Gold VSC holders' claims through a single filing without the need for each VSC holder to file a separate administrative claim. The bankruptcy attorneys of Warranty Gold have advised the JOLs that the final resolution of the competing class claims will occur at a hearing scheduled for 6 April 2005.
- n As previously reported, Warranty Gold has requested leave of the U.S. Bankruptcy Court in Nebraska to pursue an adversary proceeding against NWIG in order to resolve issues of ownership and control of certain funds currently held by the JOLs. The parties are continuing to address those issues informally and the Nebraska Bankruptcy Court has agreed to allow additional time for the parties to confer before requiring a formal response from the JOLs.
- n The funds involved in the proposed adversary proceeding include (i) \$3.5 million currently held in an account controlled by the JOLs in the Cayman Islands and (ii) \$2.1 million in trust funds held in the American Bank of Commerce in Austin, Texas.
- n The question of ownership of the \$3.5 million is already the subject to litigation before the Cayman Court initiated by Warranty Gold in 2003. The JOLs are of the view that the Cayman Court is the proper venue for that determination. Warranty Gold's counsel has advised counsel for the JOLs that Warranty Gold is amenable to discussing whether the U.S. or the Cayman Islands is the proper venue for determination of that issue but has not indicated when such a discussion might occur.

Warranty Gold Continued

- n Warranty Gold and the JOLs agree that the \$2.1 million should be distributed to Warranty Gold's VSC holders, but the details of accomplishing that goal are complicated by the inability to identify a replacement trustee to assume fiduciary responsibility over the trust funds.
- n As previously reported, the JOLs were unable to implement the order of Mrs. Justice Levers of 24 June 2003 because the bank holding the trust funds would not permit withdrawal of the funds in the face of the U.S. Bankruptcy Court's injunction. However, in June 2003 Warranty Gold voluntarily made the payments to VSC holders that were ordered by Mrs. Justice Levers on 24 June 2003. Warranty Gold has indicated that it will seek reimbursement through its own bankruptcy estate for those payments.
- n On 14 February 2005, the Warranty Gold Bankruptcy Court approved Warranty Gold's Amended Disclosure Statement. The hearing for the confirmation of the liquidation plan is set for 6 April 2005.

Triad

- n The JOLs are considering the legal advice they have received regarding an amount of approximately \$484,000 which is held by the JOLs and to which Triad has asserted a claim. In addition, the JOLs continue to analyse the terms on which NWIG and Triad conducted business.

Reinsurance

- n The JOLs have been considering NWIG's position in relation to NWIG's Reinsurance Agreement with ASR. ASR's position is that the Reinsurance Agreement was cancelled as of 14 June 2003. ASR has offered NWIG the sum of \$215,226 by way of commutation of the Reinsurance Agreement. In practice, this sum simply represents a return of the unearned portion of the premium to NWIG's estate.
- n ASR have been put on notice of NWIG's claim for the treaty year 2003 that exhausts the treaty limits and that the JOLs are collecting loss information for presentation to ASR. In addition, the JOLs and their legal counsel are in the process of updating a detailed report on the merits of pursuing a claim under the Reinsurance Agreement to be circulated to Committee members.
- n The JOLs note that SC&E has commenced litigation in respect of NWIG's financial collapse that names ASR, among others, as a defendant.

Directors' resolution dated 22 May 2003

- n On 13 May 2004, the JOLs brought an action in the Cayman Court to determine the status of a resolution of NWIG's directors and the subsequent transfer of over \$1 million from NWIG. The parties' evidence has now been exchanged and the matter has been set down to be heard on 19 and 20 April 2005. The JOLs will apply to cross examine Don Erway, one of NWIG's directors, on his affidavit evidence. It is also anticipated that the beneficiaries of the resolution will cross examine Theo Bullmore.

Action against NWIG's former auditors and actuaries

- n On 4 June 2004 the JOLs filed an adversary proceeding in the US Bankruptcy Court against Deloitte, NWIG's former auditors and against Milliman, NWIG's former actuary.
- n All of the Defendants were served and have entered appearances. Milliman filed an answer as its responsive pleading. The Deloitte entities each filed a motion to dismiss challenging the Bankruptcy Court's jurisdiction to hear the adversary proceeding. The US entities of Deloitte have subsequently withdrawn their motions to dismiss and have filed an answer as their responsive pleading.
- n The JOLs filed a response to those motions on 18 February 2005. A decision is anticipated on those motions in April 2005.

Legal action in Nevada

- n On 6 February 2004, the KPMG member firm in the Cayman Islands was served as a defendant in the case brought by Reuben Rocker, case number 03-A-470558-B, currently pending in the Eighth Judicial District Court in Las Vegas, Clark County, Nevada, USA. Rocker has alleged that he is a VSC holder from Nevada.
- n The case names as defendants, among others, the following KPMG member firms (as printed): KPMG of Grand Cayman Island, KPMG LLC Nebraska and KPMG of Omaha.
- n KPMG in the Cayman Islands, through their U.S. counsel, prepared a motion to strike based on lack of personal jurisdiction. The motion was granted and KPMG in the Cayman Islands was dismissed from the action on 3 June 2004.
- n The plaintiffs have appealed the dismissal to the Nevada Supreme Court and the case was assigned to a settlement judge to investigate whether resolution of the issues could be reached without further litigation.
- n On 22 November 2004, the settlement judge referred the appeal back to the Nevada Supreme Court. The plaintiffs' brief is due in the Supreme Court on 19 April 2005, with KPMG's response due on 19 May 2005 and the plaintiffs' reply due on 19 June 2005. An oral argument will be scheduled following the completion of the briefing.

US government and state regulators

- n On 6 July 2004, the JOLs received a letter from Mr. Jose Montemayor, Chairman of the Property and Casualty (C) Committee of the NAIC in which the NAIC raised various issues and concerns regarding the progress of the NWIG liquidation. A copy of this letter as well as the JOLs' response thereto, dated 27 July 2004, was attached to the JOLs' previous report to the Cayman Court dated 30 August 2004 at Appendix D.
- n On 1 June 2004, the JOLs received a request from the GAO for information relating to NWIG and its status as an insolvent risk retention group. The JOLs' counsel wrote to the GAO on 5 August 2004, referring the GAO to NWIG's website, www.nwig.com, and the documents filed thereon, noting the JOLs' confidentiality concerns, and explaining that an extensive exercise to produce the business documents requested by the GAO would place an undue strain upon NWIG's available assets. No further inquiry has been received from the GAO.
- n In October 2004, the JOLs' counsel attended, at the request of the Nebraska Department of Insurance, a legislative hearing before the Banking and Insurance Committee of the Nebraska Legislature for purposes of updating the legislative committee on the liquidation proceedings.

Potential appointment of a third liquidator

- n On 14 January 2005, the JOLs became aware of a claim filed in the Travis County Court in Texas, U.S.A. by SC&E against a number of parties who SC&E allege caused it loss as a result of their involvement in NWIG. The parties named as defendants by SC&E include (as named) "KPMG, LLC", "KPMG, LLP Nebraska", "KPMG, LLP" and "KPMG".
- n The JOLs are aware that certain KPMG entities had an involvement with NWIG prior to its liquidation. The JOLs initially retained the services of KPMG LLP, Nebraska, to provide tax advisory services. However KPMG LLP, Nebraska are no longer providing tax advisory services to the JOLs. The involvement of certain KPMG entities with NWIG prior to its liquidation was explained in Theo Bullmore's affidavit of 25 July 2003, in support of the petition to wind up NWIG, and at the winding up hearing on 1 August 2003, Mrs Justice Levers' attention was specifically drawn to that involvement. The JOLs are not aware of any malfeasance on the part of any KPMG entities in relation to the NWIG estate. Nevertheless the JOLs have recommended to the Committee that in the light of SC&E's claim, a third liquidator independent of KPMG be appointed to oversee an investigation into the role of certain KPMG entities in the NWIG estate with a view to identifying whether NWIG may have claims against any such entities. The JOLs propose that a suitable U.S. attorney selected by the Committee should carry out this function and that such attorney should formally be appointed as a third independent liquidator of NWIG with a limited remit to carry out these investigations and report to the Cayman Court (and take any further steps) as required. The JOLs await the Committee's further comments on this proposal.

Adversary proceeding against National Card, L.L.C.

- n On 24 November 2004, the JOLs filed an adversary proceeding in the Nebraska Bankruptcy Court against Donald Erway, his wife Neva Erway, National Card, L.L.C., and Pro (both companies owned by Donald Erway). The adversary proceeding seeks recovery of approximately \$941,000 that was paid by FNB Omaha to National Card, L.L.C. as a commission on charges made by NWIG on credit cards issued by FNB Omaha.
- n The Defendants had until 24 February 2005 to answer the complaint.

Other liquidation issues

Time and costs
Receipts and payments

Time and costs

- n The JPLs', JOLs' and their advisors' costs are summarised by month and are attached to this report at Appendix A.

Receipts and payments

- n The JPLs' and JOLs' account of receipts and payments for the periods 6 June 2003 to 31 July 2003 is attached to this report at Appendix B1 and for the period 1 August 2003 to 31 January 2005 at Appendix B2.
- n The JOLs' account of receipts and payments for the period 1 August 2004 to 31 January 2005 is attached to this report at Appendix C.

Appendix A

JPLs', JOLs' and Advisors' Fees - invoiced and paid as at 31 January 2005

APPENDIX A
National Warranty Insurance Risk Retention Group (in Official Liquidation)
JPLs', JOLs' and Advisors' Fees - invoiced and paid as at 31 January 2004

	Invoice Date	Invoice Number	Invoice Total	Total Paid	Balance written off	Balance outstanding	Additional discount given from 1 Oct 2004
KPMG Cayman - initial retainer	4-Jun-03	118948	50,000.00	50,000.00	n/a	n/a	n/a
KPMG Cayman Time costs and disbursements	11-Jul-03	120111	268,367.09	260,398.53	7,968.56	-	-
	21-Sep-03	121271	159,706.86	155,440.95	4,265.91	-	-
	21-Sep-03	121272	107,034.95	104,026.03	3,008.93	-	-
	30-Sep-03	121781	124,803.01	121,276.66	3,526.35	-	-
	1-Nov-03	122443	149,217.52	145,529.77	3,687.75	-	-
	30-Nov-03	122701	111,749.94	108,871.52	2,878.43	-	-
	9-Jan-04	123035	76,161.59	74,094.48	2,067.11	-	-
	18-Feb-04	123545	92,134.68	89,480.54	2,654.14	-	-
	8-Mar-04	123905	104,872.84	101,912.63	2,960.21	-	-
	31-Mar-04	124810	120,231.83	116,697.42	3,534.41	-	-
	6-May-04	125427	134,983.90	131,293.68	3,690.23	-	-
	9-Jun-04	126109	81,944.25	79,627.84	2,316.41	-	-
	23-Jul-04	127122	129,329.04	103,981.29	3,802.16	21,545.58	-
	9-Aug-04	127349	98,359.61	79,792.86	2,785.01	15,781.74	-
	30-Sep-04	127987	91,264.74	73,893.99	2,605.61	14,765.14	-
	30-Sep-04	127992	41,221.12	33,497.37	1,158.56	6,565.19	-
23-Nov-04	128402	64,399.87	50,165.38	1,818.00	12,416.49	7,437.50	
4-Jan-05	128773	90,813.16	72,863.91	2,692.39	15,256.85	11,593.75	
11-Jan-05	128841	55,863.03	44,940.53	1,638.38	9,284.12	7,031.25	
TOTAL			\$ 2,102,459.03	\$ 1,947,785.36	\$ 59,058.55	\$ 95,615.12	\$ 26,062.50
KPMG Nebraska	23-Jul-03	41342953	13,813.00	13,441.36	371.64	-	-
	29-Aug-03	41386647	12,151.00	11,824.06	326.94	-	-
	29-Aug-03	41386635	12,965.00	12,965.00	-	-	-
	22-Sep-03	41413087	4,033.00	3,928.36	104.64	-	-
	14-Oct-03	41434376	6,699.00	6,518.76	180.24	-	-
	30-Oct-03	41447749	7,753.00	7,544.41	208.59	-	-
	19-Nov-03	41467772	6,875.00	6,690.05	184.95	-	-
	13-May-04	41677892	1,275.00	1,275.00	-	-	-
	16-Nov-04	41867756	10,286.00	10,286.00	-	-	-
	TOTAL			\$ 75,850.00	\$ 74,473.00	\$ 1,377.00	\$ -

APPENDIX A

National Warranty Insurance Risk Retention Group (in Official Liquidation)

JPLs', JOLs' and Advisors' Fees - invoiced and paid as at 31 January 2004

	Invoice Date	Invoice Number	Invoice Total	Total Paid	Balance written off	Balance outstanding	Additional discount given from 1 Oct 2004
Maples and Calder	3-Jul-03	280587	81,240.59	78,828.22	2,412.37	-	-
	11-Aug-03	315535	116,851.47	113,453.97	3,397.50	-	-
	11-Sep-03	318168	55,481.25	53,858.25	1,623.00	-	-
	16-Oct-03	323322	50,752.67	49,256.04	1,496.63	-	-
	11-Nov-03	332897	54,408.71	52,791.71	1,617.00	-	-
	10-Dec-03	338064	38,047.26	37,009.26	1,038.00	-	-
	28-Jan-03	340210	41,917.43	40,679.56	1,237.87	-	-
	17-Feb-03	342024	22,830.92	22,155.02	675.90	-	-
	19-Mar-04	344019	71,458.36	69,343.44	2,114.92	-	-
	16-Apr-04	345492	54,585.48	52,972.68	1,612.80	-	-
	26-May-04	349342	49,387.61	47,917.31	1,470.30	-	-
	4-Jun-04	350912	26,349.25	25,564.67	784.58	-	-
	26-Jul-04	354016	53,614.49	42,952.49	1,599.30	9,062.70	-
	18-Aug-04	355312	55,408.83	45,037.83	1,555.65	8,815.35	-
	11-Oct-04	358892	44,106.94	35,424.94	1,302.30	7,379.70	-
	21-Oct-04	360001	28,754.70	23,009.70	861.75	4,883.25	-
	23-Nov-04	367426	32,433.11	26,041.91	958.68	5,432.52	-
	31-Dec-04	380717	38,320.48	-	1,135.68	37,184.80	-
28-Jan-05	382199	33,634.95	-	1,004.32	32,630.63	-	
TOTAL			\$ 949,584.50	\$ 816,297.00	\$ 27,898.55	\$ 105,388.95	\$ -
Allen and Overy	27-Jun-03	5043815	38,731.32	37,569.72	1,161.60	-	-
	11-Aug-03	5043967	87,438.38	84,993.90	2,444.48	-	-
	29-Oct-03	5044210	56,878.57	55,267.94	1,610.63	-	-
	26-Nov-03	5044368	28,308.12	27,557.72	750.40	-	-
	23-Feb-03	5044702	57,590.53	55,885.40	1,705.13	-	-
	27-Apr-04	5044954	135,523.50	-	3,962.22	131,561.28	-
	22-Jul-04	5045301	29,757.28	-	849.60	28,907.68	-
	27-Aug-04	5045458	24,008.96	-	712.87	23,296.09	-
	18-Oct-04	5045617	30,042.39	-	897.81	29,144.58	-
	TOTAL			\$ 488,279.05	\$ 261,274.68	\$ 14,094.74	\$ 212,909.63

APPENDIX A
National Warranty Insurance Risk Retention Group (in Official Liquidation)
JPLs', JOLs' and Advisors' Fees - invoiced and paid as at 31 January 2004

	Invoice Date	Invoice Number	Invoice Total	Total Paid	Balance written off	Balance outstanding	Additional discount given from 1 Oct 2004
Woods and Aitken	10-Jul-03	169659-1	48,547.22	48,547.22	-	-	-
	12-Aug-03	169990-1	83,690.15	83,690.15	-	-	-
	10-Sep-03	170004-1	42,067.58	42,067.58	-	-	-
	9-Oct-03	170622-1	30,370.37	30,370.37	-	-	-
	13-Nov-03	170857-1	23,113.10	23,113.10	-	-	-
	30-Nov-03	171165-1	29,420.28	29,420.28	-	-	-
	16-Jan-04	171734-1	37,930.00	37,930.00	-	-	-
	16-Feb-04	172037-1	17,255.71	17,255.71	-	-	-
	12-Mar-04	172401-1	25,055.85	25,055.85	-	-	-
	8-Apr-04	172763-1	13,301.70	13,301.70	-	-	-
	6-May-04	172990-1	18,799.36	18,799.36	-	-	-
	9-Jun-04	173477-1	19,462.12	19,462.12	-	-	-
	9-Jun-04	170004-1	9,347.50	9,347.50	-	-	-
	14-Jul-04	173944-1	30,166.37	24,453.27	-	5,713.10	-
	9-Aug-04	174158-1	12,001.22	9,753.02	-	2,248.20	-
	9-Sep-04	174960-1	19,552.49	15,754.89	-	3,797.60	-
6-Oct-04	175179-1	19,016.41	15,274.31	-	3,742.10	-	
16-Nov-04	175689-1	17,213.87	-	-	17,213.87	-	
7-Dec-04	175839-1	12,474.47	-	-	12,474.47	-	
12-Jan-05	176232-1	10,002.42	-	-	10,002.42	-	
TOTAL			\$ 518,788.19	\$ 463,596.43	\$ -	\$ 55,191.76	\$ -
Bob Craig	1-Jul-03		5,348.93	5,348.93	-	-	-
	3-Aug-03		1,003.70	1,003.70	-	-	-
TOTAL			\$ 6,352.63	\$ 6,352.63	\$ -	\$ -	\$ -
Haynes and Boone LLP	10-Dec-03	20186871	5,340.30	5,340.30	-	-	-
	11-Feb-04	20190888	4,392.99	4,392.99	-	-	-
	29-Mar-04	20197729	3,256.00	3,256.00	-	-	-
	15-Apr-04	20200535	538.37	538.37	-	-	-
	18-Aug-04	20217372	48.00	48.00	-	-	-
TOTAL			\$ 13,575.66	\$ 13,575.66	\$ -	\$ -	\$ -
Turner & Roulstone	15-Jan-04	89	16,452.60	16,452.60	-	-	-
TOTAL			\$ 16,452.60	\$ 16,452.60	\$ -	\$ -	\$ -

The additional discount given from 1 October 2004 illustrates the savings NWIG's estate has made due to the JOLs holding their charge-out rates at the level used by KPMG in the Cayman Islands in their prior financial year. This discount varies between 11% and 13% on a month by month basis

On 17 February 2005 payments of US\$57,688.73, US\$176,515.43 and US\$32,208.06 were made to Maples & Calder (Nov & Dec 04), Allen & Overy (27 Apr to 30 Sep 04) and Woods & Aitken (Oct, Nov & Dec 04) respectively.

Appendix B

**The JPLs' and JOLs' account of receipts and payments for the periods
6 June 2003 to 31 July 2003 and 1 August 2003 to 31 January 2005**

APPENDIX B - 1

National Warranty Insurance Risk Retention Group (In Official Liquidation)
Liquidators' Receipts and Payments Schedule for the period 6th June 2003 to 31st July 2003

	US\$
Cash balances as at 6th June 2003	25,112,095
Receipts	
Interest Income	1,133,510
State Premium Tax refunds	87,271
Premium income	28,879
Travel Reimbursements refunded by Employees	194
Warranty Gold Administration fees received	7,747
	1,257,600
Payments	
Salaries, benefits and other payments	
Salaries and Benefits	(69,214)
Administrative Expenses	(464,962)
Credit card claims paid from security deposit at FNB Omaha	(589,008)
Claims paid on 6th June 2003	(11,648)
Professional Fees	
KPMG	(165,243)
Legal/Other	(25,000)
	(1,325,075)
Balance Carried forward	25,044,620
Made up as follows	
Bank of Butterfield Savings Account	3,140,739
Bank of Butterfield 1008027 Money Market (15th July 2003 Balance)	16,932,023
Bank of Butterfield 1008028 Money Market (8th July 2003 Balance)	3,459,950
Wells Fargo Cheque Account	1,249,278
Wachovia Securities	2,825
Crusader International Management Escrow Account	9,804
Deposit held at FNB Omaha - Credit Cards	250,000
	25,044,620

Appendix B - 2

National Warranty Insurance Risk Retention Group (In Official Liquidation)
Liquidators' Receipts and Payments Schedule for the period 1 August 2003 - 31 January 2005

		US\$
Surplus from Provisional Liquidation		25,044,620
Receipts		
Interest Income		359,993
Tax refunds		1,040,939
Sale of Furniture and Equipment		28,681
Contract transfer fees/Misc cash receipts		47,122
Amount received from AAGI		20,015
Credit Card Recoveries - FNB Omaha		59,099
Redeposit of Bank Drafts issued		340,568
Salaries and Benefit payments from Pro Distributors Escrow Account		1,015,817
		2,912,234
Payments		
Salaries and Administrative Expenses		
Salaries and Benefits		(2,969,976)
Administrative Expenses		(531,818)
Professional Fees		
KPMG		(1,732,541)
Legal/Other		(1,688,642)
		(6,922,977)
Balance carried forward - 31 January 2005		21,033,877
Made up as follows		
Bank of Butterfield Savings Account		33,013
Bank of Butterfield Checking Account		3,284
Money Market Account 1008027		17,342,075
Money Market Account 1008028		3,518,947
Tier One Bank		136,558
		21,033,877

Appendix C

**The JOLs' account of receipts and payments for the period 1 August 2004
to 31 January 2005**

Appendix C

National Warranty Insurance Risk Retention Group (In Official Liquidation)
Liquidators' Receipts and Payments Schedule for the period 1 August 2004 - 31 January 2005

	US\$
Balance brought forward - 1st August 2004	21,415,769
Receipts	
Interest Income	169,271
Tax refunds	1,025,730
Sale of Furniture and Equipment	1,320
Misc cash receipts	11,931
	1,208,252
Payments	
Salaries and Administrative Expenses	
Salaries and Benefits	(383,884)
Administrative Expenses	(107,604)
Professional Fees	
KPMG	(596,318)
Legal/Other	(502,338)
Balance Carried forward - 31 January 2005	(1,590,144)
Made up as follows	21,033,877
Bank of Butterfield Savings Account	33,013
Bank of Butterfield Checking Account	3,284
Money Market Account 1008027	17,342,075
Money Market Account 1008028	3,518,947
Tier One Bank	136,558
	21,033,877