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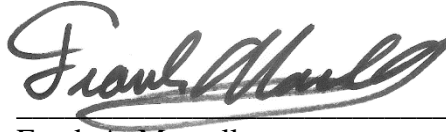
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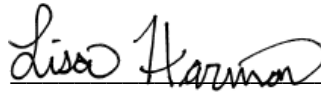
1. Attached hereto as Exhibit A are financial statements of ReliaMax Surety Company in Liquidation, for the period ending June 30, 2021;
2. Exhibit A contains a Balance Sheet for ReliaMax as of June 30, 2021;
3. Exhibit A contains a schedule of all receipts and disbursements for ReliaMax for the period through June 30, 2021;
4. Exhibit A contains a schedule of all payments made to professionals pursuant to the Court's approvals for compensation in previous applications for the period through June 30, 2021;
5. The Liquidator will submit a proposed order approving the financials submitted in this Application for the Court's consideration without necessity of a hearing unless the Court should require;

WHEREFORE the Liquidator respectfully requests that the court enter an order approving the financial statements contained in this Application.

Respectfully submitted this 31st day of August, 2021.



Frank A. Marnell
Attorney for Liquidator of ReliaMax Surety
124 S. Euclid Avenue, 2nd Floor
Pierre, SD 57501
(605) 773-3563



Lisa M. Harmon
Attorney for Liquidator of ReliaMax Surety
124 S. Euclid Avenue, 2nd Floor
Pierre, SD 57501
(605) 773-3563

CERTIFICATE OF SERVICE

The undersigned hereby certifies that copy of the Liquidator's Application No. 21 was served upon ReliaMax Surety Company in Liquidation via regular U.S. Mail, postage prepaid, to the company's mailing address at 3801 W. Technology Circle, Sioux Falls, SD 57106.

Dated this 31st day of August, 2021 in Pierre, South Dakota.



Lisa M. Harmon
Attorney for Liquidator of ReliaMax Surety
124 S. Euclid Avenue, 2nd Floor
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ReliaMax Surety Company in Liquidation
Balance Sheet
December 31, 2020 and June 30, 2021

	December 31, 2020	June 30, 2021
Assets		
Cash and investments		
Cash	266,111	175,225
Money markets	8,169,042	17,732,263
Bonds	8,726,951	7,513,323
Mortgage loans	328,258	140,169
Other invested assets	1,117,250	1,079,750
Total cash and investments	<u>18,607,612</u>	<u>26,640,730</u>
Premiums receivable	56,043	55,927
Investment income accrued	28,632	22,243
Premium tax recoverables	106,302	-
Other	13,264	7,138
Total assets	<u>18,811,853</u>	<u>26,726,038</u>
Liabilities		
Loss and loss adjustment expense reserves	829,408	797,424
Premium refunds related to unearned premiums	74,447,074	74,447,074
Accounts payable and accrued expenses	373,473	437,795
Total liabilities	<u>75,649,955</u>	<u>75,682,293</u>
Total policyholders surplus (deficit)	(56,838,102)	(48,956,255)
Total liabilities and surplus	<u>18,811,853</u>	<u>26,726,038</u>

Estimated subrogation recoveries on the defaulted loan portfolio of the Company are not recorded on the balance sheet. This presentation is consistent with financial statements prepared by prior Management of the Company. These subrogation recoveries include the SLRS portfolio which was subject to Application No. 4 For Order Confirming Title to SLRS Loan Portfolio. Actual subrogation receipts are reflected on the Statement of Cash Receipts and Disbursements.

Deloitte Consulting LLC ("Deloitte") was engaged to review and update the premium earnings methodology. Premium refunds related to unearned premiums were updated as of December 31, 2018 by applying Deloitte's updated earnings methodology and patterns.

ReliaMax Surety Company in Liquidation
Statement of Cash Receipts and Disbursements
June 27, 2018 to June 30, 2021

	2018	2019	2020	2021	ITD
Beginning cash and cash equivalents	5,608,500	11,125,547	16,086,143	8,435,153	5,608,500
Receipts					
Premiums	870,775	390,907	580,715	27,431	1,869,828
Subrogation recoveries	488,933	1,015,901	1,056,527	591,762	3,153,123
Shared services from Lending	205,888	24,191	-	-	230,079
Investment income	290,220	794,379	459,971	107,046	1,651,615
Reinsurance recovery	227,752	-	-	-	227,752
Proceeds from investments, net	6,042,144	1,014,000	7,254,678	1,401,088	15,711,910
Premium tax and other state refunds	34,821	614,171	361,472	97,167	1,107,631
ReliaMax Properties distribution	-	125,000	-	37,500	162,500
Global commutation	-	8,971,883	-	-	8,971,883
LOC proceeds	-	450,000	-	-	450,000
Consulting	-	13,613	29,494	9,453	52,560
RSM	-	-	-	3,000,000	3,000,000
D&O - primary	-	-	-	2,758,490	2,758,490
Federal income tax refund	-	-	-	2,559,682	2,559,682
Other	24,315	2,000	545	-	26,860
Total receipts	8,184,848	13,416,045	9,743,401	10,589,619	41,933,913
Disbursements					
Loss and loss adjustment expenses	21,348	5,166,635	981,869	2,203	6,172,055
Premium refunds related to unearned premiums	-	-	13,496,272	-	13,496,272
Claims of general creditors	-	-	16,270	-	16,270
Subrogation recovery fees	85,064	227,424	150,558	75,433	538,479
Salary and employee benefits	1,450,506	1,732,915	1,646,961	697,304	5,527,685
Professional fees	220,817	348,475	217,393	9,924	796,609
Legal fees	37,718	109,619	161,513	56,856	365,705
Special Deputy Liquidator	242,881	280,982	209,528	127,867	861,258
Rent, rent items and utilities	199,312	115,692	112,859	49,173	477,036
Moving expenses	5,936	-	-	-	5,936
EDP equipment, software and consulting	227,208	270,373	233,530	37,409	768,520
Offices supplies, postage and printing	28,451	9,959	12,045	2,716	53,170
Telephone and internet	54,115	32,995	34,358	13,408	134,876
Insurance	3,299	115,358	58,425	24,727	201,809
Investment and bank charges	20,746	32,988	34,909	14,621	103,264
Publication costs	24,216	-	-	-	24,216
Other	46,185	12,035	27,902	5,643	91,765
Total disbursements	2,667,800	8,455,449	17,394,391	1,117,284	29,634,925
Net cash flows	5,517,048	4,960,596	(7,650,990)	9,472,335	12,298,988
Ending cash and cash equivalents	11,125,547	16,086,143	8,435,153	17,907,488	17,907,488

ReliaMax Surety Company in Liquidation
Payment to Consultants and Other Professionals
June 27, 2018 to June 30, 2021

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>ITD</u>
Subrogation recovery fees (a):					
Weltman, Weinberg & Reis Co., LPA	20,000	58,894	21,048	5,068	105,009
Professional fees:					
Eide Bailly LLP	22,764	11,928	44,991	4,959	84,642
Daron Ailts	43,665	89,194	-	-	132,859
Luke Schwingler	9,159	1,065	-	-	10,224
Deloitte Consulting LLP	145,229	152,907	-	-	298,136
Veris Consulting	-	93,381	171,839	-	265,220
Darin DeBoer	-	-	563	-	563
Austin Cutright	-	-	-	4,966	4,966
Legal fees:					
Gray Plant Mooty	138	-	-	-	138
Rembolt Ludtke LLP	6,930	-	1,050	-	7,980
Hudson Cook LLP	10,000	30,976	-	-	40,976
Cadwell Sanford Deibert & Garry LLP	20,650	75,991	143,889	56,856	297,386
May, Adam, Gerdes & Thompson LLP	-	2,652	831	-	3,483
Stradley Ronon Stevens & Young LLP	-	-	15,742	-	15,742
Special Deputy Liquidator:					
FitzGibbons & Company	242,881	280,982	209,528	127,867	861,258
Total	<u>521,416</u>	<u>797,969</u>	<u>609,481</u>	<u>199,716</u>	<u>2,128,582</u>

(a) - Does not include third-party recoveries expenses.

STATE OF SOUTH DAKOTA

IN CIRCUIT COURT

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)ss:

COUNTY OF HUGHES

SIXTH JUDICIAL CIRCUIT

STATE OF SOUTH DAKOTA, EX REL.
LARRY DEITER, DIRECTOR OF
INSURANCE OF THE STATE OF SOUTH
DAKOTA,

32CIV18-125

Petitioner,

NOTICE OF ENTRY OF ORDER
APPROVING FINANCIAL
STATEMENTS
PURSUANT TO LIQUIDATOR'S
APPLICATION NO. 21

v.

RELIAMAX SURETY COMPANY,

Respondent.

PLEASE TAKE NOTICE that an Order Approving Financial Statements Pursuant to Liquidator's Application No. 21 was entered in the above-entitled matter on August 31, 2021 by the Honorable Bobbi Rank and duly filed by the Clerk of Courts of Hughes County, South Dakota. A copy of said order is attached hereto.

Dated this 1st day of September, 2021.



Lisa M. Harmon
Attorney for Liquidator of ReliaMax Surety
124 S. Euclid Avenue, 2nd Floor
Pierre, SD 57501
(605) 773-3563

CERTIFICATE OF SERVICE

The undersigned hereby certifies that copy of the Notice of Entry of Order Approving Financial Statements Pursuant to Liquidator's Application No. 21 was served upon ReliaMax Surety Company in Liquidation via regular U.S. Mail, postage prepaid, to the company's mailing address at 3801 W. Technology Circle, Sioux Falls, SD 57106.

Dated this 1st day of September, 2021.



Lisa M. Harmon
Attorney for Liquidator of ReliaMax Surety
124 S. Euclid Avenue, 2nd Floor
Pierre, SD 57501
(605) 773-3563

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IN CIRCUIT COURT

) **SS:**

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SIXTH JUDICIAL CIRCUIT

STATE OF SOUTH DAKOTA, EX REL.
LARRY DEITER, DIRECTOR OF
INSURANCE OF THE STATE OF SOUTH
DAKOTA,

32CIV18-125

Petitioner,

**ORDER APPROVING FINANCIAL
STATEMENTS PURSUANT TO
LIQUIDATOR'S
APPLICATION NO. 21**

V.

RELIAMAX SURETY COMPANY,
Respondent.

Respondent.

This matter came for consideration on the application of Larry Deiter, Director of Insurance for South Dakota, acting as Liquidator of ReliaMax Surety Company pursuant to SDCL Ch. 58-29B ("the Liquidator"), for an Order approving the financial statements as contained in his Application No. 21 For Order Approving Financial Statements (hereinafter "Application No. 21"). This application was made pursuant to SDCL § 58-29B-46 for this Court's approval of financial statements of ReliaMax (In Liquidation). The Court has reviewed Application No. 21 and its Exhibit.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the financial statements and other financial exhibits as provided in Liquidator's Application No. 21 is hereby approved by the Court.

DATED this day of , 2021, in Pierre, South Dakota.

Signed: 8/31/2021 3:44:10 PM

Attest:

Greene, Ashtin
Clerk/Deputy



BY THE COURT:

BY THE COURT:
Robt J Rank

The Honorable Bobbi Rank
Sixth Circuit Court Judge