

STATE OF SOUTH DAKOTA

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IN CIRCUIT COURT

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COUNTY OF HUGHES

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SIXTH JUDICIAL CIRCUIT

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

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32CIV18-125

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FINAL CLOSING ACCOUNTING

Petitioner,

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v.

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RELIAMAX SURETY COMPANY,  
Respondent.

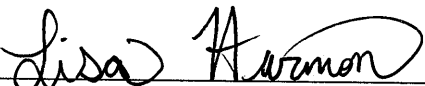
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COMES NOW Larry Deiter, Liquidator (“the Liquidator”) of ReliaMax Surety Company (“ReliaMax Surety”), by and through his attorney Lisa M. Harmon, and hereby files the Closing Accounting to the Court pursuant to the Court’s Order Terminating ReliaMax Surety Company Liquidation Proceedings and Discharging the Liquidator on September 25, 2023. A final accounting is attached as Exhibit A, the final distribution is set forth in Exhibit B, and a final statement of cash receipts and disbursements is attached as Exhibit C. As reflected in Exhibit B, the Liquidator distributed \$45,674 more to Class 4 Claimants than was estimated in the Application to Close. This final distribution represents a total distribution of approximately 54% to Class 4 Claimants and concludes this matter.

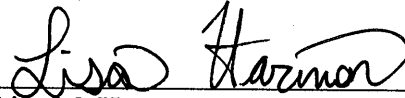
Respectfully submitted this 14th day of March, 2024.

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

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that copy of the Liquidator's Final Closing Accounting was served upon ReliaMax Surety Company in Liquidation via regular U.S. Mail, postage prepaid, to the company's mailing address at 8701 E. Vista Bonita Dr., Ste. 200, Scottsdale, AZ 85255.

Dated this 14<sup>th</sup> day of March, 2024 in Pierre, South Dakota.



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

**ReliaMax Surety Company in Liquidation**  
**Final Closing Accounting**  
**Actual to Pro Forma**

	<b>Pro Forma Balance Sheet</b>	<b>Actual Balance Sheet</b>	<b>Variance</b>
<b>Assets</b>			
Cash & Equivalents	3,682,118	3,682,118	-
Accrued Investment Income	62,579	85,495	22,916
Receivables	2,416	2,447	31
<b>Total Assets</b>	<b>3,747,113</b>	<b>3,770,060</b>	<b>22,947</b>
<b>Liabilities</b>			
<b>Final Fees and Expenses:</b>			
Accrued Administrative Expenses	83,591	68,458	(15,133)
Projected Administrative Expenses	325,377	317,752	(7,625)
<b>Total Final Fees and Expenses</b>	<b>408,968</b>	<b>386,210</b>	<b>(22,758)</b>
<b>Class 4:</b>			
Premium refunds related to unearned premiums	38,320,906	38,320,906	-
General creditors	54,232	54,232	-
<b>Non Filed Subordinate:</b>			
Unpaid Claims	797,424	797,424	-
Premium refunds related to unearned premiums	9,301,534	9,301,534	-
<b>Total Class 4 and Subordinate Claims</b>	<b>48,474,096</b>	<b>48,474,096</b>	-
<b>Total Liabilities</b>	<b>48,883,064</b>	<b>48,860,306</b>	<b>(22,758)</b>
<b>Total Policyholders Surplus (Deficit)</b>	<b>(45,135,951)</b>	<b>(45,090,246)</b>	<b>45,705</b>
<b>Total Liabilities and Surplus</b>	<b>3,747,113</b>	<b>3,770,060</b>	<b>22,947</b>

**ReliaMax Surety Company in Liquidation**  
**Final Distribution at September 30, 2023**

	<b>Pro Forma</b>	<b>Actual</b>	<b>Variance</b>
Assets available for distribution per Exhibit A	3,747,113	3,770,060	22,947
Less Receivables which were offset against Class 4 distributions	2,416	2,447	31
Available to distribute	3,744,697	3,767,613	22,916
Less final distribution:			
Fees and expenses	408,968	386,210	(22,758)
Class 4 creditors	3,335,729	3,381,403	45,674
Remaining assets	-	-	-

**ReliaMax Surety Company in Liquidation**  
**Final Statement of Cash Receipts and Disbursements**  
**June 27, 2018 to September 30, 2023**

	2018	2019	2020	2021	2022	2023	ITD
<b>Beginning cash and cash equivalents</b>	5,608,500	11,125,547	16,086,143	8,435,153	16,728,023	8,588,584	5,608,500
<b>Receipts</b>							
Premiums	870,775	390,907	580,715	73,431	-	-	1,915,828
Subrogation recoveries	488,933	1,015,901	1,056,527	2,206,864	(23,207)	-	4,745,018
Shared services from Lending	205,888	24,191	-	-	-	-	230,079
Investment income	290,220	794,379	459,971	209,916	192,828	286,622	2,233,935
Reinsurance recovery	227,752	-	-	-	-	-	227,752
Proceeds from investments, net	6,042,144	1,014,000	7,254,678	9,181,825	-	-	23,492,647
Premium tax and other state refunds	34,821	614,171	361,472	97,167	-	-	1,107,631
ReliaMax Properties distribution	-	125,000	-	1,944,317	-	-	2,069,317
Global commutation	-	8,971,883	-	-	-	-	8,971,883
LOC proceeds	-	450,000	-	-	-	-	450,000
Consulting	-	13,613	29,494	19,968	19,039	-	82,114
RSM	-	-	-	3,000,000	-	-	3,000,000
D&O	-	-	-	2,758,490	-	2,750,000	5,508,490
Federal income tax refund	-	-	-	2,559,682	-	-	2,559,682
Other	24,315	2,000	545	29,000	18	-	55,878
<b>Total receipts</b>	<b>8,184,848</b>	<b>13,416,045</b>	<b>9,743,401</b>	<b>22,080,660</b>	<b>188,678</b>	<b>3,036,622</b>	<b>56,650,254</b>
<b>Disbursements</b>							
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	11,496,272	7,651,522	11,032,622	43,676,688
Claims of general creditors	-	-	16,270	16,270	10,847	15,629	59,016
Subrogation recovery fees	85,064	227,424	150,558	125,656	-	-	588,702
Salary and employee benefits	1,450,506	1,732,915	1,646,961	1,463,615	435,945	74,061	6,804,002
Professional fees	220,817	348,475	217,393	21,794	36,440	91,383	936,302
Legal fees	37,718	109,619	161,513	120,933	31,821	58,375	519,978
Special Deputy Liquidator	242,881	280,982	209,528	292,317	80,967	263,027	1,369,702
Rent, rent items and utilities	199,312	115,692	112,859	80,932	8,078	13,577	530,450
Moving expenses	5,936	-	-	-	-	-	5,936
EDP equipment, software and consulting	227,208	270,373	233,530	70,236	22,187	13,194	836,728
Offices supplies, postage and printing	28,451	9,959	12,045	9,266	8,862	13,038	81,620
Telephone and internet	54,115	32,995	34,358	20,471	5,050	26,111	173,100
Insurance	3,299	115,358	58,425	24,727	13,036	10,530	225,375
Investment and bank charges	20,746	32,988	34,909	28,092	19,023	9,340	145,098
Publication costs	24,216	-	-	-	-	-	24,216
Other	46,185	12,035	27,902	15,006	4,339	4,319	109,786
<b>Total disbursements</b>	<b>2,667,800</b>	<b>8,455,449</b>	<b>17,394,391</b>	<b>13,787,790</b>	<b>8,328,117</b>	<b>11,625,206</b>	<b>62,258,754</b>
<b>Net cash flows</b>	<b>5,517,048</b>	<b>4,960,596</b>	<b>(7,650,990)</b>	<b>8,292,870</b>	<b>(8,139,439)</b>	<b>(8,588,584)</b>	<b>(5,608,500)</b>
<b>Ending cash and cash equivalents</b>	<b>11,125,547</b>	<b>16,086,143</b>	<b>8,435,153</b>	<b>16,728,023</b>	<b>8,588,584</b>	<b>0</b>	<b>0</b>