

FILED

IN THE CHANCERY COURT OF THE STATE OF TENNESSEE
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

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CHLORA A. LINDLEY-MYERS)
SPECIAL DEPUTY COMMISSIONER OF)
COMMERCE AND INSURANCE FOR)
THE STATE OF TENNESSEE,)

Petitioner,)

v.)

No. 10-507-III

SMART DATA SOLUTIONS, LLC)
a Tennessee limited liability company,)
AMERICAN TRADE ASSOCIATION,)
INC, an Indiana nonprofit corporation with)
its principal place of business in Tennessee,)
AMERICAN TRADE ASSOCIATION,)
LLC, an Arkansas limited liability company,)
SERVE AMERICA ASSURANCE,)
a corporation with an unknown location,)
BART S. POSEY SR., ANGIE POSEY)
OBED W. KIRKPATRICK, RICHARD)
H. BACHMAN, WILLIAM M. WORTHY)
and COLIN YOEUELL)

Respondents.)

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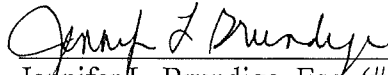
**NOTICE OF FILING FIRST QUARTER 2012 FINANCIAL REPORTS
OF SDS, ATA, AND SAA IN LIQUIDATION**

Pursuant to the Court's Order entered on September 27, 2010, the Liquidator of Smart Data Solutions, LLC ("SDS"), American Trade Association, Inc., American Trade Association, LLC (collectively referred to as "ATA"), and Serve America Assurance ("SAA"), by and through her counsel, is filing financial statements for the first quarter of 2012 for the liquidation of SDS, ATA, and SAA, which are attached hereto as Exhibit 1. As explained in the

accompanying notes to the financials, the claims liability amount has not been included because the total amount of Proof of Claim liability has not been established.

Respectfully submitted,

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*Special Counsel for the Liquidator and Special
Deputy Liquidator*

CERTIFICATE OF SERVICE

I hereby certify this the 5th day of June, 2012, that a true and exact copy of the foregoing has been served by U.S. mail, postage pre-paid, and/or via email as indicated, to the parties and interested entities listed on the attached service list.

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Respondent Serve America Assurance, Ltd.:

Serve America Assurance, Ltd. Company

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Serve America Assurance, Ltd.

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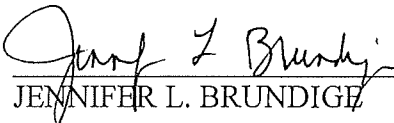
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JENNIFER L. BRUNDIGE

AMERICAN TRADE ASSOCIATION, INC, AMERICAN TRADE ASSOCIATION, LLC,
 SMART DATA SOLUTIONS, LLC and SERVE AMERICA ASSURANCE IN LIQUIDATION
 Statement of Net Assets (exclusive of claims liability)

	March 23, 2010	May 20, 2010	December 31, 2010	December 31, 2011	March 31, 2012
ASSETS					
Checking/Temporary Investments (Note 6)					
Cash in financial institutions	\$ 1,202,722.15	\$ 2,021,048.89	\$ 70,975.55	\$ 113,323.19	\$ 42,321.49
Tennessee Local Government Investment Pool	-	-	2,152,366.49	1,238,877.50	1,239,245.81
Total Checking/Temporary Investments	1,202,722.15	2,021,048.89	2,223,342.04	1,352,200.69	1,281,567.30
Vehicles 03-23-10 Market Value (Note 7)	107,800.00	107,800.00	-	-	-
Other Assets - Rent Deposit	-	-	3,273.34	3,273.34	3,273.34
Other Assets - Prepaid Rent	-	-	1,636.67	-	-
TOTAL ASSETS	1,310,522.15	2,128,848.89	2,228,252.05	1,355,474.03	1,284,840.64
LIABILITIES					
Liquidation fees payable (Note 14)		117,812.36	215,122.35	200,929.57	207,094.78
Claims liability (Note 3, 4 and 13)					
					<u>No accrual for claims liability. Such liability when accrued will be substantial.</u>
Notes Payable- Auto (Note 8)	53,443.51	53,443.51	-	-	-
Payroll Liabilities (Note 9)	7,512.72	1,620.58	-	-	-
Other Accounts Payable	-	-	-	4,335.13	4,387.26
TOTAL LIABILITIES	60,956.23	172,876.45	215,122.35	205,264.70	211,482.04
NET ASSETS	\$ 1,249,565.92	\$ 1,955,972.44	\$ 2,013,129.70	\$ 1,150,209.33	\$ 1,073,358.60
Net Assets END OF PERIOD					
Net Assets BEGINNING OF PERIOD	\$ 1,955,972.44	\$ 2,013,129.70	\$ 1,150,209.33	\$ 1,073,358.60	\$ 1,073,358.60
Change in Net Assets	\$ 706,406.52	\$ 763,563.78	\$ (862,920.37)	\$ (76,850.73)	\$ (76,850.73)
From date of Seizure:					
Net Assets END OF PERIOD	\$ 1,955,972.44	\$ 2,013,129.70	\$ 1,150,209.33	\$ 1,150,209.33	\$ 1,073,358.60
Net Assets at date of Seizure	1,249,565.92	1,249,565.92	1,249,565.92	1,249,565.92	1,249,565.92
Change in Net Assets	\$ 706,406.52	\$ 763,563.78	\$ (99,356.59)	\$ (99,356.59)	\$ (176,207.32)

The accompanying notes are an integral part of these financials.

AMERICAN TRADE ASSOCIATION, INC, AMERICAN TRADE ASSOCIATION, LLC,
SMART DATA SOLUTIONS, LLC and SERVE AMERICA ASSURANCE IN LIQUIDATION
Statement of Changes in Net Assets (exclusive of claims liability)

Modified Cash Basis
March 23, 2010 - March 31, 2012

	March 23 - December 31, 2010	January 1, 2011 - December 31, 2011	January 1, 2012 - March 31, 2012	March 23, 2010 - March 31, 2012
Income				
Insurance dues from members (Note 10)	\$ 1,745,707.75	\$ -	\$ 200,000.00	\$ 1,945,707.75
Commission Income	18,803.25	10,095.75	-	28,899.00
Insurance dues payment stopped	(30,725.77)	-	-	(30,725.77)
Interest Received	2,840.99	2,511.01	368.31	5,820.31
Liquidation recoveries (Note 11)	138,000.00	-	-	138,000.00
Total Income	1,874,726.22	12,606.76	200,368.31	2,087,701.29
Cost of Goods Sold	(14,583.60)	(1,930.96)	(70.00)	(16,584.56)
Provider refunds of claims paid	(14,583.60)	(1,930.96)	(70.00)	(16,584.56)
Total Cost of Goods Sold	(29,167.20)	(3,861.92)	(140.00)	(33,169.12)
Gross Profit	1,845,559.02	14,637.72	200,438.31	2,104,285.85
Expense				
Professional Fees - Liquidation (Note 4, 11 and 14)	665,096.10	760,423.97	233,926.06	1,659,446.13
Payroll Expenses (Note 15)	110,140.75	-	-	110,140.75
Business Licenses & Taxes	2,692.00	-	-	2,692.00
Communication expenses (Note 16)	185,563.00	75,421.79	14,934.17	275,918.96
Postage and delivery (Note 17)	87,129.27	3,987.54	2,265.37	93,382.18
Rent Expense (Note 18)	38,569.20	21,925.69	5,606.01	66,100.90
Equipment Lease	8,790.01	-	-	8,790.01
Insurance Expense	7,613.52	2,958.00	2,500.00	13,071.52
Moving Expense	3,898.75	-	-	3,898.75
Contract labor	2,239.12	-	14,315.67	16,554.79
Other expenses	14,014.32	12,741.10	3,741.76	30,497.18
Total Expense	1,125,746.04	877,458.09	277,289.04	2,280,493.17
Change in Net Assets	\$ 763,563.78	\$ (862,920.37)	\$ (76,850.73)	\$ (176,207.32)
Net Assets END OF PERIOD	\$ 2,013,129.70	\$ 1,150,209.33	\$ 1,073,358.60	\$ 1,073,358.60
Net Assets BEGINNING OF PERIOD	1,249,565.92	2,013,129.70	1,150,209.33	1,249,565.92
Change in Net Assets	\$ 763,563.78	\$ (862,920.37)	\$ (76,850.73)	\$ (176,207.32)

The accompanying notes are an integral part of these financials.

**AMERICAN TRADE ASSOCIATION, INC, AMERICAN TRADE ASSOCIATION, LLC, SMART
DATA SOLUTIONS, LLC and SERVE AMERICA ASSURANCE in Liquidation
Notes to March 31, 2012 financials**

- 1 On March 23, 2010, an "ORDER OF SEIZURE OF RESPONDENTS SMART DATA SOLUTIONS, AMERICAN TRADE ASSOCIATION, INC., AMERICAN TRADE ASSOCIATION, LLC, AND SERVE AMERICA ASSURANCE..." was entered in the Chancery Court of the State of Tennessee Twentieth Judicial District, Davidson County.
- 2 On May 20, 2010, a "FINAL ORDER APPOINTING THE COMMISSIONER AS RECEIVER FOR LIQUIDATION OF RESPONDENTS SMART DATA SOLUTIONS, LLC, AMERICAN TRADE ASSOCIATION, INC., AMERICAN TRADE ASSOCIATION, LLC, AND SERVE AMERICA ASSURANCE..." ("Liquidation Order") was entered in the Chancery Court of the State of Tennessee Twentieth Judicial District, Davidson County, upon the Court's finding the entities to be a hazard to the public and financially insolvent. On August 5, 2010, Respondents Smart Data Solutions, LLC, American Trade Association, Inc., American Trade Association, LLC, Bart Posey, Angie Posey, and Richard Bachman filed a Notice of Appeal of the Liquidation Order to the Tennessee Court of Appeals. On August 9, 2010, Respondent William Worthy also filed a Notice of Appeal. The Liquidation Order was not stayed during the pending appeal. The Court of Appeals heard oral arguments on the case on March 25, 2011, and issued its opinion on June 3, 2011, affirming the judgment of the Chancery Court. The Court of Appeals' mandate was returned to the Chancery Court on or around August 9, 2011, signifying the end of the appeal.
- 3 In the Court's April 27, 2010 Memorandum and Order, the Court determined that the entities were insolvent. The Court determined that using the most conservative estimate of the entities' claims liability of \$3,367,682, the liabilities exceeded the entities' assets. The Petitioner presented testimony that claims liability was estimated to be in excess of \$6,895,830. After being placed into liquidation, this claims liability will be replaced by the liability established through the submission, determination, and adjudication of the statutory Proofs of Claim to the Liquidation. The deadline for submitting Proofs of Claim ran on August 31, 2010. The Liquidator has received in excess of 12,000 Proofs of Claim with claimed amounts in excess of \$40 million, and the Liquidator has been reviewing these Proofs of Claim. In accordance with the Court's September 27, 2010 Order, no Liquidator's Notices of Determination, pursuant to Tenn. Code Ann. 56-9-331 & -327, were issued. On November 7, 2011, the Court entered an order granting the Liquidator's unopposed motion for permission to begin preparing and issuing Notices of Determination for Proofs of Claim filed in the Liquidation. As a result, the Liquidator has begun preparing and issuing Notices of Determination for the over 12,000 Proofs of Claim received by the Liquidation. As the Liquidator has not yet resolved the valid amounts for Proofs of Claim, the Proof of Claim liability in the Liquidation has yet to be determined (see also note 4 and 13).
- 4 These financials present the financial statements for the combined entities referred to above and are presented on a modified cash basis. The difference from a strict cash basis in these financials is that liquidation fees, payroll liabilities, and related payroll expenses are recognized as incurred. **These financials do not include an accrual for a Proof of Claim liability (see also notes 3 and 13).**

As of this filing, there have been approximately 12,866 Proofs of Claim received in the office of the liquidation. Of these, 11,776 were received by the Proof of Claim filing deadline of August 31, 2010. Of the timely filed Proofs of Claim, the amount entered on the Proof of Claim forms as the Claim Amount is approximately \$40,000,000. There are infrequent instances where claimants filed multiple Proofs of Claim for the same claim. In those infrequent instances, the Claim Amount is duplicative in the \$40,000,000. The liquidation office continues to receive Proofs of Claim forms from potential claimants.

As of this filing, 14 Proofs of Claims have been received from general creditors (Class 5) other than member claims for premium refunds. Class 5 claims will only be paid if all valid and approved claims immediately preceding Class 5, including Class 2 policy claims, are paid in full. The Liquidator has issued Notices of Determination to establish the Class 5 status of these Proofs of Claim but will only assign a value to these claims if and when all immediately preceding classes are paid in full. One objection to the Liquidator Class 5 determination was received by the statutory objection due date. This objection is currently being reviewed by the liquidation to determine whether the Liquidator will alter the determination, whether the objection will be scheduled for hearing pursuant to Tenn. Code Ann. § 56-9-327, or whether the claimant will withdraw the objection.

**AMERICAN TRADE ASSOCIATION, INC, AMERICAN TRADE ASSOCIATION, LLC, SMART
DATA SOLUTIONS, LLC and SERVE AMERICA ASSURANCE in Liquidation
Notes to March 31, 2012 financials**

As of this filing approximately 375 Proofs of Claims have been received for refund of premiums paid for policies of insurance issued by the Companies in Liquidation. The Liquidator has issued Notices of Determination to establish the Class 5 status pursuant to Tenn. Code Ann. § 56-9-330(a)(5) of these unearned or earned premium refund claims but will only assign a value to these claims if and when all immediately preceding classes are paid in full. A number of objections to the Liquidator Class 5 refund of premium determination was received by the statutory objection due date. These objections are currently being reviewed by the liquidation to determine whether the Liquidator will alter the determination, whether the objection will be scheduled for hearing pursuant to Tenn. Code Ann. § 56-9-327, or whether the claimant will withdraw the objection.

Proofs of Claim received in the liquidation office after the August 31, 2010 claims filing deadline are generally considered to be late-filed and are Class 7 claims. The Liquidator has issued Notices of Determination to establish the Class 7 status of these late-filed Proofs of Claim but will only assign a value to these claims if and when all immediately preceding classes are paid in full. A number of objections to the Liquidator Class 7 determinations were received by the statutory objection due date. These objections are currently being reviewed by the liquidation to determine whether the Liquidator will alter the determinations, whether the objections will be scheduled for a hearing pursuant to Tenn. Code Ann. § 56-9-327, or whether the claimants will withdraw the objections.

The liquidation office continues to receive claims submitted without a Proof of Claim form. These claims are returned to the party submitting them with instructions to resubmit with a completed Proof of Claim form. Many of these claim forms are for medical services provided after the Court-ordered termination of all policies of insurance as of May 31, 2010. In those instances, there would be no policy coverage and the claim for services provided after the policy termination date will be denied in whole.

The Liquidator has begun preparing and issuing Notices of Determination on Proofs of Claim during the first quarter of 2012. As explained above, the Liquidator has already issued Notices of Determination for late-filed Proofs of Claim, general creditor Proofs of Claim, and premium refund Proofs of Claim. Next, Notices of Determination will be issued to providers of medical services in instances where the ATA member did not file a Proof of Claim for the particular service. Finally, Notices of Determination will be issued to ATA members. All claimants will have the statutory right to object to the Liquidator Notice of Determination of their Proof of Claim. A Claimant Objection form will be included with the Notice of Determination. Claimants will have the statutory 30 day period in which to object to the Notice of Determination. Any Notice of Determination which is not objected to by the claimant within the statutory objection period will become a full and final determination.

Of the timely filed Proofs of Claim for medical services covered under the policies, the Liquidator estimates the adjudicated amount will be in the \$7,000,000 - \$8,000,000 range. All claimants of these Class 2 Proofs of Claim will have an opportunity to object to the determination of the Liquidator as to the value of a claim.

The Notice of Determination will include the Liquidator's maximum determined amount of the claim against the liquidation estate. Based on the available assets in the estate as of this filing, it is anticipated the final payment to claimants will be prorated.

Once all Notices of Determination have been accepted and/or resolved through the statutory objection process, then and only then is it anticipated that any potential distribution of liquidation estate assets will be presented to the Court. It is not possible at this time to estimate when this event will occur.

- 5 The Statement of Net Assets is presented as of the Seizure Date of March 23, 2010, as of the Liquidation Date of May 20, 2010, as of December 31, 2010, as of December 31, 2011, and as of March 31, 2012. The Statement of Changes in Net Assets is presented for the period from the Seizure Date to December 31, 2010, for the period from January 1, 2011 to December 31, 2011, for the period from January 1, 2012 to March 31, 2012, and for the period from the Seizure Date to March 31, 2012.

**AMERICAN TRADE ASSOCIATION, INC, AMERICAN TRADE ASSOCIATION, LLC, SMART
DATA SOLUTIONS, LLC and SERVE AMERICA ASSURANCE in Liquidation
Notes to March 31, 2012 financials**

- 6 The Checking/Temporary Investments balances shown are the reconciled balances as of the date shown.
- 7 The Vehicles are shown at their selling price. All of the vehicles shown as assets on March 23, 2010 had been sold by August 31, 2010, pursuant to the Court's July 14, 2010 Order.
- 8 The Notes Payable were borrowed funds used to pay for two of the Vehicles (see also Note 7). These notes were paid off in conjunction with the sale of these two vehicles in August 2010.
- 9 The Payroll Liabilities represent the liability for all payroll tax expenses, penalties, and withholdings documented as of the Seizure Date and any Payroll Liabilities incurred subsequent to the Seizure Date.
- 10 Insurance dues from members consist of premiums that were collected for policies that had been issued by the entities. The majority of these premiums were collected by companies such as Paylogix and CITM which debit members' bank accounts or credit cards. Other members made payments directly to the entities, and such deposits were posted in Eldorado, the entities' claims processing and management system.

CITM - On the date of Seizure, funds in the amount of \$851,128.98 had been collected by CITM but not remitted to SDS. Instead, these funds were held in an account set up by the law firm of Evans Petree PC. Pursuant to the Court's direction during an April 1, 2010, turnover hearing, these funds were remitted by Evans Petree on April 2, 2010. Also, as a result of the Liquidator's asset recovery activities, additional funds were received from CITM on September 16, 2010 (\$236,961.08), and September 17, 2010 (\$421,889.63). On January 31, 2012, the Liquidation received from CITM an additional \$200,000.00 in consideration of a full settlement of all issues between the Liquidation and CITM.

RECEIPTS POSTED IN ELDORADO - Funds continued to be received subsequent to the Seizure Date. These funds were recorded and deposited in the Company's bank account.

- 11 In late 2009 and early 2010, SDS made contributions to the University of Alabama which were not related to the business purpose of the company. On June 8, 2010, the University of Alabama remitted these contributions to the Liquidator.

The Liquidator has filed several petitions to recover assets of the entities in liquidation referred to above. On August 13, 2010, the Liquidator filed a petition to recover damages from Bart Posey and Angie Posey in the Chancery Court of Davidson County, Tennessee, within the receivership matter (Case No. 10-507-111). Mr. and Mrs. Posey have filed an answer to the petition.

On September 30, 2010, the Liquidator filed a petition to recover damages in excess of \$2 million from defendants William M. Worthy III, Caroline H. Worthy, Nationwide Administrators, LLC, and Southeast Insurance Advisors, LLC, in the Chancery Court of Davidson County, Tennessee, within the receivership matter. William M. Worthy III has filed an answer to the petition. On May 5, 2011, the Chancery Court of Davidson County, Tennessee, entered an Order of Judgment by Default against Caroline H. Worthy, Southeast Insurance Advisors, LLC, and Nationwide Administrators, LLC, in the amount of \$2,009,253.82. The Liquidator is taking action to collect on the judgment.

The Liquidator has filed a petition to recover damages from defendants Gary L. Ketchum, Donald Choi, and First Risk Holdings, LLC, in the Chancery Court of Davidson County, Tennessee, within the receivership matter. On January 7, 2011, the Court entered an Agreed Order of Judgment against defendants Gary Ketchum and First Risk Holdings, LLC, jointly and severally, in the amount of \$582,966.85, plus costs of the litigation. The Liquidator is taking action to collect on the judgment. The case remains pending against defendant Donald Choi.

**AMERICAN TRADE ASSOCIATION, INC, AMERICAN TRADE ASSOCIATION, LLC, SMART
DATA SOLUTIONS, LLC and SERVE AMERICA ASSURANCE in Liquidation
Notes to March 31, 2012 financials**

On March 15, 2011, the Liquidator filed a petition seeking damages for civil contempt and other appropriate relief against Bart S. Posey, Sr., Richard H. Bachman, William L. Hendricks, Jr., Russell J. Hensley, Theodore T. Kitai, Evans Petree PC, Best Benefits Association, Inc., and Quality Benefits Group, LLC, ("Contempt Parties") in the Chancery Court of Davidson County, Tennessee, within the receivership matter. The Court on June 27, 2011, entered a Memorandum and Order denying the Contempt Parties' Motion to Dismiss or Stay Contempt Petition. On April 2, 2012, following a three-day trial in February 2012, the Court entered an Order and Memorandum finding Posey, Bachman, Hendricks, Hensley, Kitai and Evans Petree PC in contempt and awarding damages, jointly and severally, against them and in favor of the Liquidator in the amount of \$669,016.79 and set a hearing date of June 14, 2012, on an award of attorneys' fees.

On June 14, 2011, the Liquidator filed a Petition seeking damages for legal malpractice against William L. Hendricks, Jr., and Evans Petree PC ("Respondents") in the Chancery Court of Davidson County, Tennessee, within the receivership matter. The Respondents' motion to dismiss the Liquidator's Amended Petition was heard by the Court on November 10, 2011, and was taken under advisement by the Court. On December 13, 2011 the Court issued its Memorandum and Order to dismiss the damages petition. The Liquidator filed a Motion to Alter or Amend the December 13, 2011, order on January 12, 2012. The Court denied the Motion to Alter or Amend on March 19, 2012. The Liquidator filed a Notice of Appeal on April 18, 2012.

The Liquidator filed a verified claim and an answer to the Verified Complaint *In Rem* that was filed by the United States on February 16, 2011, in the United States District Court for the Middle District of Tennessee in the case styled *United States of America v. Four Real Properties Commonly Known As 814 Pitt Avenue, Springfield, Robertson County, Tennessee; 4676 Highway 41N, Springfield, Tennessee; 204 Lawrence Lane, Springfield, Tennessee; and 209 New Chapel Road, Springfield, Tennessee; and Proceeds From Any Sale Of The Four Real Properties By The Current Owners*, Case No. 3:11-cv-00138. The United States is seeking the forfeiture of these four properties and/or the proceeds from any sale of the properties. The Liquidator's claim requests that the Liquidator receive any proceeds after the payment of any secured creditors of the properties so that the proceeds may be returned in an equitable manner to the claimants who have approved proofs of claims in the Liquidation proceeding.

The Liquidator filed a verified claim and an answer to the Verified Complaint *In Rem* that was filed by the United States on February 1, 2011, in the United States District Court for the Middle District of Tennessee in the case styled *United States of America v. 2010 Chevrolet Camaro 2SS Coupe Bearing VIN #2G1FT1EWOA9145379*, Case No. 3:11-cv-00090. The United States is seeking the forfeiture of this vehicle. The Liquidator's claim requests that the Liquidator receive any net forfeiture proceeds so that the proceeds may be returned in an equitable manner to the claimants who have approved proofs of claims in the Liquidation proceeding.

Subsequently, the Liquidator withdrew the claims and answers and substituted petitions for remission, which seek the same results. The Liquidator also filed a petition for remission in *United States of America v. 2005 Harley Davidson Road King Motorcycle Bearing VIN 1HD1FXV185Y677771*, No. 3:11-cv-00388.

- 12 Prior to tax year 2009, SDS LLC had filed a Form 1065 (U.S. Return of Partnership Income) with the IRS. As far as is known, none of the other entities has filed a federal income tax return with the IRS. No federal tax return had been filed for the tax year 2009. Because of the complexities and unknowns surrounding these entities in 2009, the Liquidator has retained the services of an outside CPA firm to provide advice on what the IRS filing requirements are. No final decision has been made on the filing requirements after 2008.

**AMERICAN TRADE ASSOCIATION, INC, AMERICAN TRADE ASSOCIATION, LLC, SMART
DATA SOLUTIONS, LLC and SERVE AMERICA ASSURANCE in Liquidation
Notes to March 31, 2012 financials**

- 13 The Liquidation Order described in Note 2 approved the cancellation of coverage under all policies by May 31, 2010, at 11:59 p.m. It also set August 31, 2010, as the deadline for Proof of Claim submissions. The Proof of Claim documentation received by the Liquidation is currently being reviewed to determine and establish the amount owed on all timely filed Proofs of Claim. The Liquidator will make no payments on any policy claims until all Proofs of Claim have been resolved and the Court approves the Liquidator's plan of distribution.
- 14 Professional Fees reflect the total amount of fees incurred by the Special Deputy Liquidator, outside legal counsel, and third party contractors for services rendered in this receivership. On October 1, 2010, the Liquidator filed a motion pursuant to Tenn. Code Ann. § 56-9-310(a)(4) for the Chancery Court's approval of the professional fees incurred through August 31, 2010. On November 15, 2010, the Court entered an order approving the Liquidator's motion for approval of fees and found that the Liquidator had submitted enough information for the Court to intelligently evaluate the basis for the Liquidator's determination and thus the Liquidator had performed her duty to protect the interests of the estate. The Liquidator filed a motion pursuant to Tenn. Code Ann. § 56-9-310(a)(4) for the approval of the professional fees incurred from September 1, 2010, through December 31, 2010. On June 28, 2011, the Court entered an order granting the Liquidator's motion for approval of fees. On October 6, 2011, the Liquidator filed a motion pursuant to Tenn. Code Ann. § 56-9-310(a)(4) for the approval of the professional fees incurred from January 1, 2011 through June 30, 2011. On November 7, 2011, the Court entered an order granting the Liquidator's motion for approval of fees. On April 18, 2012, the Liquidator filed a motion pursuant to Tenn. Code Ann. § 56-9-310(a)(4) for the approval of the professional fees incurred from July 1, 2011 through December 31, 2011. On May 29, 2012, the Court entered an order granting the Liquidator's motion for approval of fees for the period July 1, 2011 through December 31, 2011.
- 15 Payroll Expenses reflect the cost of salaries of employees of the entities and the associated employment taxes. As of July 31, 2010, all employees were terminated.
- 16 Communication Expenses includes expenses for the telephone system, internet connectivity, and claims system access.
- 17 Postage & Delivery includes expenses incurred for sending notices of the liquidation and cancellation of policy coverage along with instructions for submitting Proofs of Claim to over 56,530 potential claimants pursuant to Tenn. Code Ann. 56-9-311. This also includes the expense for publishing the notice of liquidation in The Tennessean and The Robertson County Times newspapers pursuant to Tenn. Code Ann. 56-9-311.
- 18 Rent Expense includes \$26,000 paid to Mr. Bart Posey as owner of the building located at 4676 Highway 41 North, Springfield, Tennessee, where SDS leased approximately 5,400 square feet of office space, and \$3,000 paid to J & D Properties for approximately 1,600 square feet of office space leased at 400 Memorial Boulevard, Springfield, Tennessee, by ATA. The ATA lease expired on July 31, 2010. Pursuant to the Court's July 14, 2010, Order, the Liquidator disavowed the SDS lease and entered into a lease for approximately 1,900 square feet of office space at Metro Center, Nashville, Tennessee, for \$1,636.67 per month, plus a pro rata share of the common area maintenance charges.