

STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE

SUPERIOR COURT DIVISION

WAKE COUNTY

19 CV 008664

FILED

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MIKE CAUSEY,
COMMISSIONER OF INSURANCE
OF NORTH CAROLINA,

BY



Petitioner,

REHABILITATOR'S
QUARTERLY REPORT

v.

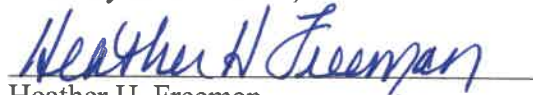
SOUTHLAND NATIONAL INSURANCE
CORPORATION, SOUTHLAND NATIONAL
REINSURANCE CORPORATION, BANKERS
LIFE INSURANCE COMPANY, COLORADO
BANKERS LIFE INSURANCE COMPNAY
North Carolina Domiciled Insurance Companies,

Respondents.

NOW COMES the Commissioner of Insurance of State of North Carolina, in his capacity as Court appointed Rehabilitator of Southland National Insurance Corporation, Southland National Reinsurance Corporation, Bankers Life Insurance Company and Colorado Bankers Life Insurance Company (Rehabilitator), and hereby makes this report pursuant to North Carolina General Statute § 58-30-80(b) and the Order of this Court dated June 27, 2019, which requires the Rehabilitator, until further order of this Court, to make a quarterly report to the Court including a statement of receipts and disbursements to date and a statement of financial position (balance sheet). Attached hereto and incorporated herein by reference as Exhibits A - D, are the quarterly reports of activity of the Rehabilitator as of December 31, 2019, and a balance sheet, summary of operations and statement of cash flow and schedule of affiliated investments as of December 31, 2019, of Southland National Insurance Corporation, Southland National Reinsurance Corporation, Bankers Life Insurance Company and Colorado Bankers Life Insurance Company, as prepared by the Special Deputy Rehabilitator on behalf of the Rehabilitator.

This the 3rd day of March, 2020.

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Attorney for Petitioner,



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CERTIFICATE OF SERVICE

I, the undersigned attorney, do certify that a copy of the foregoing pleading or paper was served as follows:

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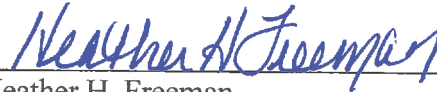
in the following manner:

(xx) by United States mail, first class postage prepaid, as provided by Rule 5(b) of the North Carolina Rules of Civil Procedure, or

() by facsimile transmission to the facsimile number set out above, as provided by Rule 5 of the North Carolina Rules of Civil Procedure.

This the 3rd day of March, 2020.

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Attorney for Petitioner,



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SOUTHLAND NATIONAL INSURANCE CORPORATION
NORTH CAROLINA COMMISSIONER OF INSURANCE AS REHABILITATOR
AS OF DECEMBER 31, 2019,
A BALANCE SHEET
AS OF DECEMBER 31, 2019
A SUMMARY OF OPERATIONS AND STATEMENT OF CASH FLOW
THROUGH DECEMBER 31, 2019
AND
A SCHEDULE OF AFFILIATED INVESTMENTS
AS OF DECEMBER 31, 2019

INTRODUCTION

BACKGROUND

Southland National Insurance Corporation (hereinafter, "SNIC" or "Company") was originally formed in 1950 as an Alabama mutual aid association under the name of Southland National Insurance Company. In January 1969, the Company was incorporated in Alabama under the name Southland National Insurance Company. In 1988, the Company adopted its current name Southland National Insurance Corporation. In December 2015, the Company redomesticated to North Carolina. On June 27, 2019, the Wake County Superior Court (hereinafter, the "Court") issued an Order of Rehabilitation (hereinafter, "Order") against the Company and appointed the Commissioner of Insurance for the State of North Carolina as Rehabilitator (hereinafter, the "Rehabilitator"). On June 27, 2019, the Court also entered an Order Granting Motion for Moratorium on Policy Surrenders and Other Relief (hereinafter "Moratorium").

The Company is part of a group of insurance companies known as Global Bankers Insurance Group (hereinafter, "GBIG"). GBIG is part of a larger group of companies known as Eli Global. Eli Global is owned by Greg Lindberg.

PURPOSE OF THIS REPORT

The purpose of this report is to provide a quarterly update to the Court, as required by the Order, on the work that the Rehabilitator and his staff have carried out since the issuance of the Order, to set out the present situation of the Company, and to provide a balance sheet and schedule of affiliated investments as of December 31, 2019, and a summary of operations and statement of cash flow through December 31, 2019.

LIMITATIONS

This report is based only on the knowledge that the Rehabilitator and his staff have gained from the work performed since the issuance of the Order. Facts may exist that the Rehabilitator is unaware of that may have a material effect on the information provided in this report. The Rehabilitator will update the information in future quarterly reports as additional facts are discovered.

SUMMARY

COMPANY PROPERTY

- In accordance with the Order, the Rehabilitator has taken possession of all known assets and property of the Company.
- The Rehabilitator is currently evaluating the Company's in-force business and reinsurance programs in furtherance of determining the feasibility of a successful rehabilitation.

MEMORANDUM OF UNDERSTANDING AND INTERIM LOAN AGREEMENT

On June 27, 2019, the Company entered into a Memorandum of Understanding ("MOU") and Interim Loan Amendment ("ILA") with Greg E. Lindberg, Academy Association, Inc. and Edwards Mill Asset Management, LLC. The Parties executed this MOU to set forth their agreements regarding, among other things, (i) the immediate partial amendment of, among other things, the interest rate and repayment terms of various affiliated loans through the ILA; (ii) the

global restructuring of various affiliated companies through the formation of a new holding company; and (iii) the global restructuring and modifications of all affiliated loans, including assignment of the loans to such new holding company. The restructuring was to be completed by September 30, 2019. The restructuring was not completed by this date. The Company, along with the other insurance companies in rehabilitation, filed a complaint against the other parties to the MOU on October 1, 2019. See the Investment Portfolio and Litigation sections for more information.

INVESTMENT PORTFOLIO

The goal of the Rehabilitator is to reduce the amount of affiliated investments and to increase long-term liquidity. The non-affiliated investments are invested in publicly traded securities. The Rehabilitator is working on a plan for the Eli Global non-insurance operating companies to repay the affiliated investments.

- The Company has approximately 61% of its assets invested in affiliated investments as of December 31, 2019.
- Affiliated assets represent 1,450% of surplus.
- Per the ILA, interest on the senior loans was reduced to 5% and was deferred for six months until December 27, 2019 and then is to be capitalized as part of the principal balance. Interest is payable quarterly beginning in 2020. The balance for the affiliated investments reflects the capitalized interest. The maturity date is December 31, 2029.
- Per the ILA, interest on the junior loans was reduced to 5.5% and was deferred for twelve months until June 27, 2020 and then is to be capitalized as part of the principal balance. Interest is payable quarterly beginning in 2021. The balance for the affiliated investments reflects the capitalized interest. The maturity date is June 30, 2029.
- Per the ILA, the return on the preferred equity was reduced to 6%.
- Per the ILA, interest on the insurance holding company loans was reduced to 0.0%. The maturity date is June 30, 2026.

EXPENSE REDUCTIONS

- The Rehabilitator is evaluating the Company's contracts to identify those that are essential for ongoing operations. As part of this effort, the Rehabilitator is also attempting to negotiate more favorable terms of essential contracts.

LITIGATION

To the Rehabilitator's knowledge, the Company is a party to the following lawsuits:

Ehmann, Schiffli and Throneberg v. Medflow, Inc., Medflow Holdings, LLC, Southland National Insurance Corporation, et al.; Case No. 15 CVS 3098, Superior Court of North Carolina, Mecklenburg County

The case was filed on February 18, 2015, and amended on December 2, 2015 to add the Company as a defendant, alleging misrepresentation, fraudulent suppression, breach of fiduciary duty, negligence, negligent hiring/training/supervision, and conspiracy regarding sale of life insurance policies. This case is assigned to the North Carolina Business Court.

Mediation in April 2019 was unsuccessful. A bifurcated trial of some of the issues occurred in late-April to early-May of 2019. The trial resulted in a mistrial of certain issues and did not resolve the matter.

The parties filed post-trial motions which remain pending. On July 23, 2019, the Court unsevered the case, declared a mistrial on some of the issues tried, and took judicial notice of SNIC's status in Rehabilitation. On October 11, 2019, Counsel for the Rehabilitator filed a motion to vacate the order entered by the Superior Court of Wake County modifying the automatic stay provided in the Order of Rehabilitation which allows this case to proceed.

Claritte Lumar nee Smith and the Succession of Byron Smith v. Lafourche Life Insurance Company and Southland National Insurance Corporation; Case No. C-73440, 40th Judicial District Court, Parish of St. John the Baptist, State of Louisiana

The case was filed on May 8, 2019, which appealed a denied accidental death claim and petitioned for payment of insurance proceeds.

A response was filed in early June 2019.

Counsel for defendants requested counsel for plaintiffs dismiss or stay the case which he has thus far declined to do. Defendants are in the process of filing a motion to stay this litigation under the authority of the North Carolina Rehabilitation order staying and granting and injunctive relief.

Southland National Insurance Corporation in Rehabilitation, Bankers Life Insurance Company in Rehabilitation, Colorado Bankers Life Insurance Company in Rehabilitation, and Southland National Reinsurance Corporation in Rehabilitation v. Greg Lindberg, Academy Association, Inc., Edwards Mill Asset Management, LLC, New England Capital, LLC, and Private Bankers Life and Annuity Co., Ltd., Case No. 19 CVS 013093, Wake County, North Carolina.

This case was filed on October 1, 2019, alleging a breach of the contract entered into by the parties on June 27, 2019. An Amended Complaint was filed on October 28, 2019, and added claims for fraud and negligent misrepresentation arising from statements contained in the June 27, 2019 contract and the Defendants' conduct.

On October 1, 2019, the Wake County Superior Court entered a Temporary Restraining Order ("TRO"), which will remain in place, by consent of the parties, until the Court enters an order on Plaintiffs' Motion for Preliminary Injunction. Essentially, the TRO prohibits the Defendants from taking any action that would negatively impact the value of Plaintiffs' investments into Defendants' companies. In their Motion for Preliminary Injunction, Plaintiffs' have requested that the relief granted in the TRO be extended through the pendency of the litigation, and that a receiver be appointed to, among other things, monitor compliance with the TRO.

The Defendants moved to dismiss the original complaint and the amended complaint on various grounds. The Court denied those motions in an Order filed on January 21, 2020.

OTHER MATTERS

- Pursuant to the Moratorium Order, the Rehabilitator has imposed a moratorium on cash surrenders, annuitizations, and policy loans against the Company's policies until such time as the Court approves lifting of the moratorium.
- In accordance with the Moratorium Order, the Rehabilitator has adopted and implemented a policy to provide substitute benefits in lieu of the contractual obligations of the Company for annuity benefits and cash withdrawals for policyholders who petition for payment under claims of legitimate hardship. As of February 12, 2020, 5 hardship cases have been received. 1 was approved and 3 were denied due to insufficient information.

CONTINUATION OF BUSINESS

- The Company has ceased writing all new business as of the date of the Order and is only renewing business that it is obligated to renew. A final decision as to the course of action to take with the Company has not yet been determined.

**INTRODUCTION TO SOUTHLAND NATIONAL INSURANCE CORPORATION
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019**

Introduction and Basis of Presentation: The Company is a North Carolina domiciled life, accident and health insurance company that was placed in rehabilitation by the Wake County Superior Court on June 27, 2019. The Company is under the control of the Commissioner of Insurance of the State of North Carolina, in his capacity as Court appointed Rehabilitator. It is the Rehabilitator's responsibility to take possession of the assets of the Company and to administer them under the general supervision of the Court.

The accompanying unaudited financial statements were prepared by the Company's staff for the period of April 1, 2019, to June 26, 2019, and subsequent to the Order under the direct supervision of the Rehabilitator's staff, as of December 31, 2019. The financial statements have been prepared in accordance with Statutory Accounting Principles promulgated by the National Association of Insurance Commissioners, except as noted in the following paragraph.

On July 26, 2019, the Governor of North Carolina signed into law, House Bill 220. This bill amends N.C. Gen. Stat §58-19-10(b), which limits the amount of investments in affiliates and subsidiaries to the lesser of ten percent (10%) of the insurer's admitted assets or fifty percent (50%) of the insurer's policyholders' surplus, provided that after those investments, the insurer's policyholders' surplus will be reasonable in relation to the insurers' outstanding liabilities and adequate to its financial needs. The excess amount of affiliated investments should be non-admitted. As of December 31, 2019, the Company has \$177m of excess affiliated investments. Should this amount be non-admitted, the Company would have a negative surplus of \$190m.

The December 31, 2019 balance of the investments listed on the Affiliated Investment schedule include the capitalized amount of interest deferred on the senior loans through December 27, 2019 in accordance with the Interim Loan Amendment. The amount of capitalized interest has been estimated based on all available information. Once a final reconciliation is complete, the amount of capitalized interest may change.

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	162,280,018		162,280,018	256,201,649
2. Stocks (Schedule D):				
2.1 Preferred stocks	43,458,667		43,458,667	32,310,000
2.2 Common stocks	6,119	271	5,848	4,990
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	959,684		959,684	2,380,170
3.2 Other than first liens				
4. Real estate (Schedule A):				
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)	170,930		170,930	376,913
5. Cash (\$ _____, 1,900,014, Schedule E-Part 1), cash equivalents (\$ _____, 69,820,141, Schedule E-Part 2) and short-term investments (\$ _____, Schedule DA)	71,720,155		71,720,155	37,252,738
6. Contract loans (including \$ _____ premium notes)	5,153,440		5,153,440	364,213
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	9,000,000	9,000,000		9,000,000
9. Receivables for securities	303		303	5,690,080
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	292,749,315	9,000,271	283,749,044	343,580,752
13. Title plans less \$ _____ charged off (for Title insurers only)				
14. Investment income due and accrued	815,033		815,033	3,170,301
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	363,232		363,232	80,815
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ _____ earned but unbilled premiums)	1,741,922		1,741,922	610,244
15.3 Accrued retrospective premiums (\$ _____) and contracts subject to redetermination (\$ _____)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	18,145		18,145	3,037,144
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	391,378	347,410	43,968	961,232
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	2,477,835		2,477,835	1,547,515
18.2 Net deferred tax asset	9,631,822	9,631,821	1	872,246
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ _____)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	25		25	250
24. Health care (\$ _____) and other amounts receivable	5,277	5,277		550
25. Aggregate write-ins for other-than-invested assets	382,877	295,457	87,420	146,131
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	308,576,861	19,280,236	289,296,625	354,007,180
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	308,576,861	19,280,236	289,296,625	354,007,180
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expense Deposit & Returned Checks	295,457	295,457		
2502. Miscellaneous Receivable	67,496		67,496	83,013
2503. Premiums in Transit	19,924		19,924	63,118
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	382,877	295,457	87,420	146,131

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ (Exhibit 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve)	276,819,757	184,078,945
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)	87,539	87,280
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve)		
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	2,958,129	1,227,266
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	279,032	573,103
5. Policyholders' dividends/refunds to members \$ and coupons \$ due and unpaid (Exhibit 4, Line 10)		
6. Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year—estimated amounts:		
6.1 Policyholders' dividends and refunds to members apportioned for payment (including \$ Modco)	83,057	92,349
6.2 Policyholders' dividends and refunds to members not yet apportioned (including \$ Modco)		
6.3 Coupons and similar benefits (including \$ Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	260,874	289,742
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public Health Service Act		
9.3 Other amounts payable on reinsurance, including \$ 27,151 assumed and \$ ceded	27,151	4,058,433
9.4 Interest Maintenance Reserve (IMR, Line 6)	8,339,666	3,307,086
10. Commissions to agents due or accrued-life and annuity contracts \$ accident and health \$ and deposit-type contract funds \$		
11. Commissions and expense allowances payable on reinsurance assumed	335,077	428,933
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 7)	392,807	59,613
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 6)		
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income		
17. Amounts withheld or retained by reporting entity as agent or trustee	36,004	3,841
18. Amounts held for agents' account, including \$ agents' credit balances	60,078	7,374
19. Remittances and items not allocated		
20. Net adjustment in assets and liabilities due to foreign exchange rates	64,602	364,589
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	8,190,901	2,057,080
24.02 Reinsurance in unauthorized and certified (\$) companies		749,364
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$) reinsurers		133,007,438
24.04 Payable to parent, subsidiaries and affiliates	1,409,887	1,345,457
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives		
24.09 Payable for securities		
24.10 Payable for securities lending	238,801	
24.11 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	443,566	365,586
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	300,026,928	332,103,479
27. From Separate Accounts statement		
28. Total liabilities (Lines 26 and 27)	300,026,928	332,103,479
29. Common capital stock	1,502,718	1,502,718
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds	7,382,942	5,379,354
32. Surplus notes		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	65,283,086	65,283,086
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)		
36. Less treasury stock, at cost:	(84,899,049)	(47,075,257)
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		3,186,200
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ in Separate Accounts Statement)	(12,233,021)	20,400,983
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	(10,730,303)	21,903,701
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	289,296,625	354,007,180
DETAILS OF WRITE-INS		
2501. Deferred Compensation Liability	381,719	355,371
2502. Miscellaneous liabilities		10,215
2503. Escheat	61,847	
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	443,566	365,586
3101. Deferred Reinsurance Gain	7,382,942	5,379,354
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)	7,382,942	5,379,354
3401. Common Stock Retired		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)		

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	117,994,495	(36,050,690)
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	13,457,058	15,337,803
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	1,122,313	728,807
5. Separate Accounts net gain from operations excluding unrealized gains or losses		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	(1,296,487)	7,321,170
7. Reserve adjustments on reinsurance ceded		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income		
9. Totals (Lines 1 to 8.3)	36,897	18,074
10. Death benefits	131,314,276	(12,644,836)
11. Matured endowments (excluding guaranteed annual pure endowments)	18,875,455	14,999,472
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 6)	10,688	
13. Disability benefits and benefits under accident and health contracts	2,004,899	4,715,768
14. Coupons, guaranteed annual pure endowments and similar benefits	4,695,983	2,252,911
15. Surrender benefits and withdrawals for life contracts		(98)
16. Group conversions	822,498	914,532
17. Interest and adjustments on contract or deposit-type contract funds		
18. Payments on supplementary contracts with life contingencies		
19. Increase in aggregate reserves for life and accident and health contracts		
20. Totals (Lines 10 to 19)	92,741,068	(46,743,801)
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	119,150,592	(23,861,016)
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	5,985	685,061
23. General insurance expenses and fraternal expenses (Exhibit 2, Line 10, Columns 1, 2, 3, 4 and 6)	4,242,126	3,438,475
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3 + 5)	13,684,859	9,842,842
25. Increase in loading on deferred and uncollected premiums	598,234	661,386
26. Net transfers to or (from) Separate Accounts net of reinsurance	847,289	(125,809)
27. Aggregate write-ins for deductions		
28. Totals (Lines 20 to 27)	3,953,262	8,110,864
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 minus Line 28)	142,482,347	(1,246,197)
30. Dividends to policyholders and refunds to members	(11,168,071)	(11,396,639)
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29) minus Line 30)	81,377	78,511
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(11,249,448)	(11,475,150)
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	930,320	(1,543,694)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ _____ (excluding taxes of \$ _____) (140,611) transferred to the IMR.	(10,319,128)	(9,931,456)
35. Net income (Line 33 plus Line 34)	(3,385,949)	(450,210)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	21,903,701	33,801,008
37. Net income (Line 35)	(3,385,949)	(450,210)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$	2,335	(101,221)
39. Change in net unrealized foreign exchange capital gain (loss)	52,015	
40. Change in net deferred income tax	5,493,195	3,182,529
41. Change in nonadmitted assets	(15,984,754)	(2,571,814)
42. Change in liability for reinsurance in unauthorized and certified companies	749,364	(749,363)
43. Change in reserve on account of change in valuation basis, (increase) or decrease		
44. Change in asset valuation reserve	(6,133,821)	846,324
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts statement		
48. Change in surplus notes		
49. Cumulative effect of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance	(5,110,849)	
52. Dividends to stockholders		
53. Aggregate write-ins for gains and losses in surplus	2,003,588	(1,922,096)
54. Net change in capital and surplus for the year (Lines 37 through 53)	(32,634,004)	(11,897,307)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	(10,730,303)	21,903,701
DETAILS OF WRITE-INS		
08.301 Other Income		
08.302	36,897	18,074
08.303		
08.398 Summary of remaining write-ins for Line 8.3 from overflow page		
08.399 Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)		
2701. Investment Credits to Reinsurers	36,897	18,074
2702. Fines and Penalties	3,942,348	8,110,864
2703.	10,914	
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
5301. Initial Ceding Commission STD RE less Amortization - SNRC/SNG/STD RE	3,953,262	8,110,864
5302. Reinsurance recapture	2,003,588	(1,922,096)
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page		
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	2,003,588	(1,922,096)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance		
2. Net investment income	116,621,507	(32,306,497)
3. Miscellaneous income	10,578,329	17,836,506
4. Total (Lines 1 through 3)	(1,259,590)	7,339,244
5. Benefit and loss related payments	125,940,246	(7,130,747)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	25,985,012	(20,330,994)
7. Commissions, expenses paid and aggregate write-ins for deductions		
8. Dividends paid to policyholders	22,245,128	22,753,695
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	90,669	94,810
10. Total (Lines 5 through 9)	3,821	
11. Net cash from operations (Line 4 minus Line 10)	48,320,809	2,521,332
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks	168,549,802	209,182,303
12.3 Mortgage loans	132,606	
12.4 Real estate	1,319,943	882,799
12.5 Other invested assets	218,976	699,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds	5,527,429	(12,075)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,928,578	
13. Cost of investments acquired (long-term only):	181,677,334	210,752,027
13.1 Bonds		
13.2 Stocks	72,915,799	229,388,032
13.3 Mortgage loans	11,626,672	
13.4 Real estate		29,014
13.5 Other invested assets		2,006
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	5,013,758	1,144,001
14. Net increase (decrease) in contract loans and premium notes	89,556,230	230,563,053
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	434,234	
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	92,121,105	(19,376,792)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	135,273,125	(1,149,463)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,149,463)	
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	34,467,417	(30,178,334)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	37,252,739	67,431,073
19.2 End of year (Line 18 plus Line 19.1)	71,720,155	37,252,739

SOUTHLAND NATIONAL INSURANCE CORPORATION
SCHEDULE OF AFFILIATED INVESTMENTS
SEPTEMBER 30, 2019 AND DECEMBER 31, 2019 COMPARISON

Trust account	CUSIP Identification	Description	Actual Cost	Book/ Adjusted	Book/ Adjusted	Change
				Carrying Value	Carrying Value	
				September 30, 2019	December 31, 2019	
NC Mutual	9941328T5	Academy Financial Assets, LLC	\$ 4,026,081	\$ 4,026,081	4,026,081	\$ (0)
N/A	9941328T5	Academy Financial Assets, LLC	1,661,739	-	1,661,739	1,661,739
N/A	9941327T4	AFA fka AFI Term	1,182,114	-	1,239,746	1,239,746
NC Mutual	9941329T6	AFA FKA GIC SR. NOTE	1,627,500	-	1,748,169	1,748,169
N/A	9941329T6	AFA FKA GIC SR. NOTE	3,797,500	-	4,079,061	4,079,061
NC Mutual	04686@AA9	Augusta Asset Management, LLC	5,125,769	5,125,769	5,303,356	177,588
N/A	05777@AA6	Baldwin Asset Management, LLC	8,561,868	8,561,868	8,854,050	292,182
NC Mutual	06367UAA5	BANK MONTREAL MEDIUM TERM SR BK NTS BOOK ENTRY 144	10,000,000	10,000,000	6,008,500	(3,991,500)
N/A	06625@126	BANKERS LIFE INSURANCE COMPANY	8,310,000	8,310,000	8,309,075	(925)
N/A	06739FJM4	BARCLAYS BANK PLC	10,000,000	10,000,000	5,577,299	(4,422,701)
N/A	13973@AA2	CAPITAL ASSETS FUND I LLC	6,375,572	6,375,572	6,882,532	506,960
NC Mutual	9941317T1	CAPITAL ASSETS FUND II, LLC	5,258,038	5,258,038	5,258,038	-
NC Mutual	9941317V6	CAPITAL ASSETS FUND IV, LLC	5,236,750	5,236,750	5,236,750	-
NC Mutual	9941317U8	CAPITAL ASSETS FUND V, LLC	5,800,589	5,800,589	6,026,499	225,910
NC Mutual	9941318T3	Capital Assets Management II, LLC	1,775,937	1,775,937	1,770,915	(5,022)
N/A	9941318T3	Capital Assets Management II, LLC	1,775,938	1,775,938	1,770,915	(5,023)
N/A	19633@129	COLORADO BANKERS LIFE INSURANCE COMPANY, INC.	24,000,000	24,000,000	24,000,000	-
N/A	19633@AA1	COLORADO BANKERS LIFE INSURANCE COMPANY, INC.	9,000,000	-	-	-
NC Mutual	9944639X1	CV Investments, LLC	2,055,028	2,055,028	2,055,028	-
NC Mutual	23570*AA0	Damascus Asset Management, LLC	5,020,727	5,020,727	5,178,859	158,132
N/A	23570*AA0	Damascus Asset Management, LLC	1,882,773	1,882,773	1,942,072	59,299
NC Mutual	29412#AA5	Ephesus Asset Management, LLC	3,261,153	3,261,153	3,363,976	102,823
N/A	29412#AA5	Ephesus Asset Management, LLC	6,179,026	6,179,026	6,373,849	194,823
NC Mutual	34610#AA5	Forest Park Asset Management, LLC	4,311,615	4,311,615	4,446,149	134,534
N/A	34610#AA5	Forest Park Asset Management, LLC	3,593,012	3,593,012	3,705,124	112,112
N/A	35472MAA4	FRANKLIN STR 2018-1 LLC	6,153,762	6,153,762	3,400,000	(2,753,762)
NC Mutual	9942228W1	Gilford Asset Management, LLC	294,695	294,695	294,695	(0)
NC Mutual	40905#AA6	Hampton Asset Management, LLC	3,629,545	3,629,545	3,757,052	127,507
N/A	40905#AA6	Hampton Asset Management, LLC	3,484,364	3,484,364	3,606,771	122,407
N/A	HPCSP_SENIOR	HPCSP INVESTMENTS	1,084,395	1,084,395	1,133,486	49,091
NC Mutual	9941557U3	HPCSP Investments, LLC	1,168,035	1,168,035	1,168,035	-
NC Mutual	46275@AA7	Iron City Asset Management, LLC	2,964,896	2,964,896	3,085,198	120,302
NC Mutual	46563@AA8	ITECH FUNDING LLC	3,223,492	3,223,492	3,392,882	169,390
N/A	46563@AA8	ITECH FUNDING LLC	4,244,796	4,244,796	4,467,854	223,058
NC Mutual	46662#AA6	Jackson Asset Management, LLC	3,048,617	3,048,617	3,155,671	107,054
NC Mutual	9947669V1	NIH Capital, LLC	949,042	949,042	949,042	-
N/A	9947669V1	NIH Capital, LLC	949,042	949,042	949,042	-
NC Mutual	65532NAA7	NOM GB 2018 I LLC	9,472,165	9,466,965	5,494,135	(3,972,830)
N/A	G6846#AA2	PBX Bermuda Holdings, LTD.	200,203	200,335	200,387	52
NC Mutual	72083RAA7	PIERRE MENDES LLC	8,999,999	8,999,999	6,275,253	(2,724,746)
NC Mutual	78013GSS5	ROYAL BK CDA	1,627,500	1,627,500	-	(1,627,500)
N/A	78013GSS5	ROYAL BK CDA	3,797,500	3,797,500	-	(3,797,500)
N/A	86576#AA7	Summerville Asset Management, LLC	7,358,541	7,358,541	7,814,178	455,637
NC Mutual	87339#AA3	TAC INVESTMENTS LLC	3,233,263	3,233,263	3,360,141	126,878
		Total Affiliated Investments	\$ 205,702,581	\$ 188,428,661	\$ 177,321,607	\$ (11,107,054)

Summary of activity (rounded to hundred-thousands)

Decrease in PPN positions due to unwinding activities	(24,325,000)
Increase in loans due to PPN underlying assignments	8,325,000
Increase due to capitalization of interest for senior loans	4,927,000
Total	(11,073,000)

SOUTHLAND NATIONAL REINSURANCE CORPORATION
NORTH CAROLINA COMMISSIONER OF INSURANCE AS REHABILITATOR
AS OF DECEMBER 31, 2019,
A BALANCE SHEET
AS OF DECEMBER 31, 2019
A SUMMARY OF OPERATIONS AND STATEMENT OF CASH FLOW
THROUGH DECEMBER 31, 2019

INTRODUCTION

BACKGROUND

Southland National Reinsurance Corporation (hereinafter, “Company”) was created as a pure captive insurance company on December 3, 2014, in North Carolina under the Captive Insurance Act of 2013, as amended. On June 27, 2019, the Wake County Superior Court (hereinafter, the “Court”) issued an Order of Rehabilitation (hereinafter, “Order”) against the Company and appointed the Commissioner of Insurance for the State of North Carolina as Rehabilitator (hereinafter, the “Rehabilitator”). On June 27, 2019, the Court also entered an Order Granting Motion for Moratorium on Policy Surrenders and Other Relief (hereinafter “Moratorium”).

The Company is part of a group of insurance companies known as Global Bankers Insurance Group (hereinafter, “GBIG”). GBIG is part of a larger group of companies known as Eli Global. Eli Global is owned by Greg Lindberg.

The Company has no active business and only reinsures business from other GBIG insurance companies.

PURPOSE OF THIS REPORT

The purpose of this report is to provide a quarterly update to the Court, as required by the Order, on the work that the Rehabilitator and his staff have carried out since the issuance of the Order, to set out the present situation of the Company, and to provide a balance sheet and schedule of affiliated investments as of December 31, 2019, and a summary of operations and statement of cash flow through December 31, 2019.

LIMITATIONS

This report is based only on the knowledge that the Rehabilitator and his staff have gained from the work performed since the issuance of the Order. Facts may exist that the Rehabilitator is unaware of that may have a material effect on the information provided in this report. The Rehabilitator will update the information in future quarterly reports as additional facts are discovered.

SUMMARY

COMPANY PROPERTY

- In accordance with the Order, the Rehabilitator has taken possession of all known assets and property of the Company.

MEMORANDUM OF UNDERSTANDING AND INTERIM LOAN AGREEMENT

On June 27, 2019, the Company entered into a Memorandum of Understanding (“MOU”) and Interim Loan Amendment (“ILA”) with Greg E. Lindberg, Academy Association, Inc. and Edwards Mill Asset Management, LLC. The Parties executed this MOU to set forth their agreements regarding, among other things, (i) the immediate partial amendment of, among other things, the interest rate and repayment terms of various affiliated loans through the ILA; (ii) the global restructuring of various affiliated companies through the formation of a new holding company; and (iii) the global restructuring and modifications of all affiliated loans, including

assignment of the loans to such new holding company. The restructuring was to be completed by September 30, 2019. The restructuring was not completed by this date. The Company, along with the other insurance companies in rehabilitation, filed a complaint against the other parties to the MOU on October 1, 2019. The Company has no affiliated loans and therefore, the MOU and ILA have minimal impact on the Company. See the Litigation section for more information.

LITIGATION

To the Rehabilitator's knowledge, the Company is a party to the following lawsuit.

Southland National Insurance Corporation in Rehabilitation, Bankers Life Insurance Company in Rehabilitation, Colorado Bankers Life Insurance Company in Rehabilitation, and Southland National Reinsurance Corporation in Rehabilitation v. Greg Lindberg, Academy Association, Inc., Edwards Mill Asset Management, LLC, New England Capital, LLC, and Private Bankers Life and Annuity Co., Ltd., Case No. 19 CVS 013093, Wake County, North Carolina.

This case was filed on October 1, 2019, alleging a breach of the contract entered into by the parties on June 27, 2019. An Amended Complaint was filed on October 28, 2019, and added claims for fraud and negligent misrepresentation arising from statements contained in the June 27, 2019 contract and the Defendants' conduct.

On October 1, 2019, the Wake County Superior Court entered a Temporary Restraining Order ("TRO"), which will remain in place, by consent of the parties, until the Court enters an order on Plaintiffs' Motion for Preliminary Injunction. Essentially, the TRO prohibits the Defendants from taking any action that would negatively impact the value of Plaintiffs' investments into Defendants' companies. In their Motion for Preliminary Injunction, Plaintiffs' have requested that the relief granted in the TRO be extended through the pendency of the litigation, and that a receiver be appointed to, among other things, monitor compliance with the TRO.

The Defendants moved to dismiss the original complaint and the amended complaint on various grounds. The Court denied those motions in an Order filed on January 21, 2020.

OTHER MATTERS

- Pursuant to the Moratorium Order, the Rehabilitator has imposed a moratorium on cash surrenders, annuitizations, and policy loans against the Company's policies until such time as the Court approves lifting of the moratorium.
- Since all reinsurance agreements were recaptured as of July 1, 2019, the Company no longer has any business on its books. Remaining assets and liabilities are in the process of being liquidated.

CONTINUATION OF BUSINESS

All business for the Company has been recaptured and the Company no longer has any operations and will be dissolved at a future date.

INTRODUCTION TO SOUTHLAND NATIONAL REINSURANCE CORPORATION
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019

Introduction and Basis of Presentation: The Company is a North Carolina domiciled pure captive insurance company that was placed in rehabilitation by the Wake County Superior Court on June 27, 2019. The Company is under the control of the Commissioner of Insurance of the State of North Carolina in his capacity as Court appointed Rehabilitator. It is the Rehabilitator's responsibility to take possession of the assets of the Company and to administer them under the general supervision of the Court.

The accompanying unaudited financial statements were prepared by the Company's staff for the period of April 1, 2019, to June 26, 2019, and subsequent to the Order under the direct supervision of the Rehabilitator's staff, as of December 31, 2019. The financial statements have been prepared in accordance with Generally Accepted Accounting Principles.

Southland National Reinsurance Corporation
Balance Sheet
December 31, 2019

	<u>Dec-19</u>
ASSETS	
Current Assets	
Checking/Savings	
Fifth Third Bank - 5666	256,599
Wells Fargo	-
Total Checking/Savings	<u>256,599</u>
Total Current Assets	256,599
Other Assets	
Deferred Acquisition Cost- NCM	-
Deferred Tax Asset	(186,305)
Total Other Assets	<u>(186,305)</u>
TOTAL ASSETS	<u><u>70,294</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due to Affiliates	
Due to ELI Research LLC	7,005
Due to GBIG	5,116,522
Due to Eli Global	-
Total Due to Affiliates	<u>5,123,527</u>
Accrued Expenses	9,596
Federal Income Taxes Payable	(5,504,022)
Total Other Current Liabilities	<u>(370,899)</u>
Total Current Liabilities	<u>(370,899)</u>
Total Liabilities	(370,899)
Equity	
Capital Stock	100
Additional Paid in Capital	18,851,565
Retained Earnings	(5,990,168)
Net Income	(12,420,304)
Total Equity	<u>441,193</u>
TOTAL LIABILITIES & EQUITY	<u><u>70,294</u></u>

Southland National Reinsurance Corporation
Income Statement
Year ended December 31, 2019

	<u>Jan - Dec 19</u>
Ordinary Income/Expense	
Income	
Change in Due & Deferred- NCM	(41,966)
Change in Due & Deferred- SNIC	13,581
Change in Policy Loans- NCM	236,553
Gain on Reinsurance	5,115,817
Premium- CBL	(189,308,344)
Premium- NCM	
Policy Loans Assumed	-
Premium- NCM - Other	(97,894,985)
Total Premium- NCM	<u>(97,894,985)</u>
Premium- SNIC	(30,453,933)
Total Income	<u>(312,333,277)</u>
Expense	
Bank Service Charges	1,345
Benefit Payments- CBL	13,162,672
Benefit Payments- NCM	4,069,442
Benefit Payments- SNIC	2,426,902
Board of Director Fees	-
Change in Agg Reserves- CBL	(195,774,138)
Change in Agg Reserves- NCM	(90,585,065)
Change in Agg. Reserves- SNIC	(30,311,445)
Change in DAC- NCM	4,684,074
Expense Allowance- CBL	2,285,509
Expense Allowance- SNIC	3,213,560
Premium Tax Expense	3,102
Admin Fee- GBIG	3,241,868
Professional Fees	
Accounting	(80,000)
Audit	9,596
Professional Fees - Other	-
Total Professional Fees	<u>(70,404)</u>
Travel Expense	-
Total Expense	<u>(283,652,579)</u>
Net Ordinary Income	<u>(28,680,699)</u>
Other Income/Expense	
Other Income	
Investment Income	
Unrealized Gain on Funds Held	4,686,620
Income- Funds Withheld- CBL	8,826,852
Income- Funds Withheld- NCM	3,630,182
Income-Funds Withheld-SNIC	1,060,535
Interest Income	512
Management Fees- GBIG	(446,522)
Management Fees- SNH	-
Total Investment Income	<u>17,758,178</u>
Total Other Income	<u>17,758,178</u>
Other Expense	
Federal Income Taxes- Current	-
Federal Income Taxes- Deferred	1,497,784
Total Other Expense	<u>1,497,784</u>
Net Other Income	<u>16,260,394</u>
Net Income	<u>(12,420,304)</u>

Southland National Reinsurance Corporation
Statement of Cash Flows
Year ended December 31, 2019

Cash flows from operating activities:	
Net income	(12,420,304)
Adjustments to reconcile net income to net cash	
Deferred tax	1,497,784
Deferred gain on reinsurance	(5,750,555)
Unrealized Gain on Funds Held	(55,300)
Cash flows from changes in:	
Receivables from affiliates	(606,332)
Deferred acquisition costs	4,684,074
Future policy benefits	(316,670,648)
Unearned premium	(143,473)
Accrued expenses	(75,404)
Federal income tax receivable	1,900,000
Net cash provided by operating expenses	<u>(327,640,158)</u>
Cash flows from investing activities:	
Funds held by affiliates	321,958,944
Policy loans	5,076,599
Net cash used in investing activities	<u>327,035,543</u>
Net decrease in cash	(604,614)
Cash beginning of year	<u>861,213</u>
Cash end of period	<u><u>256,599</u></u>

BANKERS LIFE INSURANCE COMPANY
NORTH CAROLINA COMMISSIONER OF INSURANCE AS REHABILITATOR
AS OF DECEMBER 31, 2019,
A BALANCE SHEET
AS OF DECEMBER 31, 2019
A SUMMARY OF OPERATIONS AND STATEMENT OF CASH FLOW
THROUGH DECEMBER 31, 2019
AND
A SCHEDULE OF AFFILIATED INVESTMENTS
AS OF DECEMBER 31, 2019

INTRODUCTION

BACKGROUND

Bankers Life Insurance Company (hereinafter, “Company”) was originally incorporated under the laws of the State of Florida as a stock life insurance company on May 9, 1973. On December 15, 2016, the Company redomesticated to North Carolina. On June 27, 2019, the Wake County Superior Court (hereinafter, the “Court”) issued an Order of Rehabilitation (hereinafter, “Order”) against the Company and appointed the Commissioner of Insurance for the State of North Carolina as Rehabilitator (hereinafter, the “Rehabilitator”). On June 27, 2019, the Court also entered an Order Granting Motion for Moratorium on Policy Surrenders and Other Relief (hereinafter “Moratorium”).

The Company is part of a group of insurance companies known as Global Bankers Insurance Group (hereinafter, “GBIG”). GBIG is part of a larger group of companies known as Eli Global. Eli Global is owned by Greg Lindberg.

PURPOSE OF THIS REPORT

The purpose of this report is to provide a quarterly update to the Court, as required by the Order, on the work that the Rehabilitator and his staff have carried out since the issuance of the Order, to set out the present situation of the Company, and to provide a balance sheet and schedule of affiliated investments as of December 31, 2019, and a summary of operations and statement of cash flow through December 31, 2019.

LIMITATIONS

This report is based only on the knowledge that the Rehabilitator and his staff have gained from the work performed since the issuance of the Order. Facts may exist that the Rehabilitator is unaware of that may have a material effect on the information provided in this report. The Rehabilitator will update the information in future quarterly reports as additional facts are discovered.

SUMMARY

COMPANY PROPERTY

- In accordance with the Order, the Rehabilitator has taken possession of all known assets and property of the Company.
- The Rehabilitator is currently evaluating the Company’s in-force business and reinsurance programs in furtherance of determining the feasibility of a successful rehabilitation.

MEMORANDUM OF UNDERSTANDING AND INTERIM LOAN AGREEMENT

On June 27, 2019, the Company entered into a Memorandum of Understanding (“MOU”) and Interim Loan Amendment (“ILA”) with Greg E. Lindberg, Academy Association, Inc. and Edwards Mill Asset Management, LLC. The Parties executed this MOU to set forth their agreements regarding, among other things, (i) the immediate partial amendment of, among other things, the interest rate and repayment terms of various affiliated loans through the ILA; (ii) the global restructuring of various affiliated companies through the formation of a new holding company; and (iii) the global restructuring and modifications of all affiliated loans, including

assignment of the loans to such new holding company. The restructuring was to be completed by September 30, 2019. The restructuring was not completed by this date. The Company, along with the other insurance companies in rehabilitation, filed a complaint against the other parties to the MOU on October 1, 2019. See the Investment Portfolio and Litigation sections for more information.

INVESTMENT PORTFOLIO

The goal of the Rehabilitator is to reduce the amount of affiliated investments and to increase long-term liquidity. The non-affiliated investments are invested primarily in publicly traded securities. The Rehabilitator is working on a plan for the Eli Global non-insurance operating companies to repay the affiliated investments.

- The Company has approximately 16% of its assets invested in affiliated investments as of December 31, 2019.
- Affiliated assets represent 315% of surplus.
- Per the ILA, interest on the senior loans was reduced to 5% and was deferred for six months until December 27, 2019 and then is to be capitalized as part of the principal balance. Interest is payable quarterly beginning in 2020. The balance for the affiliated investments reflects the capitalized interest. The maturity date is December 31, 2029.
- Per the ILA, interest on the junior loans was reduced to 5.5% and was deferred for twelve months until June 27, 2020 and then is to be capitalized as part of the principal balance. Interest is payable quarterly beginning in 2021. The balance for the affiliated investments reflects the capitalized interest. The maturity date is June 30, 2029.
- Per the ILA, the return on the preferred equity was reduced to 6%.
- Per the ILA, interest on the insurance holding company loans was reduced to 0.0%. The maturity date is June 30, 2026.

EXPENSE REDUCTIONS

- The Rehabilitator is evaluating the Company's contracts to identify those that are essential for ongoing operations. As part of this effort, the Rehabilitator is also attempting to negotiate more favorable terms of essential contracts.

LITIGATION

To the Rehabilitator's knowledge, the Company is party to the following lawsuit.

Southland National Insurance Corporation in Rehabilitation, Bankers Life Insurance Company in Rehabilitation, Colorado Bankers Life Insurance Company in Rehabilitation, and Southland National Reinsurance Corporation in Rehabilitation v. Greg Lindberg, Academy Association, Inc., Edwards Mill Asset Management, LLC, New England Capital, LLC, and Private Bankers Life and Annuity Co., Ltd., Case No. 19 CVS 013093, Wake County, North Carolina.

This case was filed on October 1, 2019, alleging a breach of the contract entered into by the parties on June 27, 2019. An Amended Complaint was filed on October 28, 2019, and added claims for

fraud and negligent misrepresentation arising from statements contained in the June 27, 2019 contract and the Defendants' conduct.

On October 1, 2019, the Wake County Superior Court entered a Temporary Restraining Order ("TRO"), which will remain in place, by consent of the parties, until the Court enters an order on Plaintiffs' Motion for Preliminary Injunction. Essentially, the TRO prohibits the Defendants from taking any action that would negatively impact the value of Plaintiffs' investments into Defendants' companies. In their Motion for Preliminary Injunction, Plaintiffs' have requested that the relief granted in the TRO be extended through the pendency of the litigation, and that a receiver be appointed to, among other things, monitor compliance with the TRO.

The Defendants moved to dismiss the original complaint and the amended complaint on various grounds. The Court denied those motions in an Order filed on January 21, 2020.

OTHER MATTERS

- Pursuant to the Moratorium Order, the Rehabilitator has imposed a moratorium on cash surrenders, annuitizations, and policy loans against the Company's policies until such time as the Court approves lifting of the moratorium.
- In accordance with the Moratorium Order, the Rehabilitator has adopted and implemented a policy to provide substitute benefits in lieu of the contractual obligations of the Company for annuity benefits and cash withdrawals for policyholders who petition for payment under claims of legitimate hardship. As of February 12, 2020, 119 hardship cases have been received. 27 were approved, 28 were denied due to insufficient information, 25 were denied due to not meeting the hardship qualifications and 39 are in process.

CONTINUATION OF BUSINESS

The Company reduced writing the majority of new business in October 2018 and ceased all new business as of the date of the Order. A final decision as to the course of action to take with the Company has not yet been determined.

INTRODUCTION TO BANKERS LIFE INSURANCE COMPANY
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019

Introduction and Basis of Presentation: The Company is a North Carolina domiciled life, accident and health insurance company that was placed in rehabilitation by the Wake County Superior Court on June 27, 2019. The Company is under the control of the Commissioner of Insurance of the State of North Carolina, in his capacity as Court appointed Rehabilitator. It is the Rehabilitator's responsibility to take possession of the assets of the Company and to administer them under the general supervision of the Court.

The accompanying unaudited financial statements were prepared by the Company's staff for the period of April 1, 2019 to June 26, 2019, and subsequent to the Order under the direct supervision of the Rehabilitator's staff, as of December 31, 2019. The financial statements have been prepared in accordance with Statutory Accounting Principles promulgated by the National Association of Insurance Commissioners.

On July 26, 2019, the Governor of North Carolina signed into law, House Bill 220. This bill amends N.C. Gen. Stat §58-19-10(b), which limits the amount of investments in affiliates and subsidiaries to the lesser of ten percent (10%) of the insurer's admitted assets or fifty percent (50%) of the insurer's policyholders' surplus, provided that after those investments, the insurer's policyholders' surplus will be reasonable in relation to the insurers' outstanding liabilities and adequate to its financial needs. The excess amount of affiliated investments should be non-admitted. As of December 31, 2019, the Company has \$51m of excess affiliated investments. Should this amount be non-admitted, the Company would have a negative surplus of \$32m.

The December 31, 2019 balance of the investments listed on the Affiliated Investment schedule include the capitalized amount of interest deferred on the senior loans through December 27, 2019 in accordance with the Interim Loan Amendment. The amount of capitalized interest has been estimated based on all available information. Once a final reconciliation is complete, the amount of capitalized interest may change.

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	348,362,918		348,362,918	296,024,422
2. Stocks (Schedule D):				
2.1 Preferred stocks	5,243,409		5,243,409	0
2.2 Common stocks	357,700		357,700	402,700
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ _____ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ _____ encumbrances)			0	0
4.3 Properties held for sale (less \$ _____ encumbrances)			0	0
5. Cash (\$ _____ 3,070,914 , Schedule E-Part 1), cash equivalents (\$ _____ 15,374,579 , Schedule E-Part 2) and short-term investments (\$ _____ 2,503,054 , Schedule DA)	20,948,547		20,948,547	78,316,450
6. Contract loans (including \$ _____ premium notes)	5,116		5,116	41,759
7. Derivatives (Schedule DB)	0		0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities	24,897		24,897	13
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	374,942,587	0	374,942,587	374,785,344
13. Title plants less \$ _____ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	2,272,119	84,980	2,187,139	3,515,345
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ _____ earned but unbilled premiums)	472		472	470
15.3 Accrued retrospective premiums (\$ _____) and contracts subject to redetermination (\$ _____)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	5,318,621		5,318,621	16,108,622
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	7,734,484	7,734,484	0	2,973,336
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$ _____)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	107,523		107,523	0
24. Health care (\$ _____) and other amounts receivable			0	0
25. Aggregate write-ins for other-than-invested assets	544,553	544,553	0	20,111
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	390,920,359	8,364,017	382,556,342	397,403,227
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	390,920,359	8,364,017	382,556,342	397,403,227
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Miscellaneous Receivables	230,266	230,266	0	20,111
2502. Negative Interest Maintenance Reserve	314,287	314,287	0	0
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	544,553	544,553	0	20,111

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ (Exhibit 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve)	346,671,162	356,702,874
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)	0	0
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve)	5,028,193	4,730,744
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	212,063	242,728
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	0	0
5. Policyholders' dividends/refunds to members \$ and coupons \$ due and unpaid (Exhibit 4, Line 10)	0	0
6. Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year—estimated amounts:		
6.1 Policyholders' dividends and refunds to members apportioned for payment (including \$ Modco)	0	0
6.2 Policyholders' dividends and refunds to members not yet apportioned (including \$ Modco)	0	0
6.3 Coupons and similar benefits (including \$ Modco)	0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6	0	0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	0	0
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts	0	0
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public Health Service Act	0	0
9.3 Other amounts payable on reinsurance, including \$ assumed and \$ ceded	17,660	25,612
9.4 Interest Maintenance Reserve (IMR, Line 6)	0	144,227
10. Commissions to agents due or accrued-life and annuity contracts \$ accident and health \$ and deposit-type contract funds \$	0	0
11. Commissions and expense allowances payable on reinsurance assumed	0	0
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 7)	271,390	39,794
13. Transfers to Separate Accounts due or accrued (net) (including \$ allowances recognized in reserves, net of reinsured allowances) accrued for expense	0	0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 6)	0	0
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)	694,120	437,662
15.2 Net deferred tax liability	0	0
16. Unearned investment income	0	0
17. Amounts withheld or retained by reporting entity as agent or trustee	0	304
18. Amounts held for agents' account, including \$ agents' credit balances	238,430	292,714
19. Remittances and items not allocated	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	213,840	158,455
21. Liability for benefits for employees and agents if not included above	0	0
22. Borrowed money \$ and interest thereon \$	0	0
23. Dividends to stockholders declared and unpaid	0	0
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	4,483,482	1,939,775
24.02 Reinsurance in unauthorized and certified (\$) companies	0	0
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$) reinsurers	0	0
24.04 Payable to parent, subsidiaries and affiliates	0	0
24.05 Drafts outstanding	1,023,920	109,015
24.06 Liability for amounts held under uninsured plans	0	0
24.07 Funds held under coinsurance	0	0
24.08 Derivatives	0	0
24.09 Payable for securities	0	0
24.10 Payable for securities lending	1,549,998	0
24.11 Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	120
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	360,404,258	364,824,024
27. From Separate Accounts statement	0	0
28. Total liabilities (Lines 26 and 27)	360,404,258	364,824,024
29. Common capital stock	2,176,504	2,176,504
30. Preferred capital stock	823,496	823,496
31. Aggregate write-ins for other than special surplus funds	(1)	24,541
32. Surplus notes	0	0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	3,000,000	3,000,000
34. Aggregate write-ins for special surplus funds	41,623,795	41,623,795
35. Unassigned funds (surplus)	0	0
36. Less treasury stock, at cost:	(25,471,710)	(15,069,133)
36.1 shares common (value included in Line 29 \$)	0	0
36.2 shares preferred (value included in Line 30 \$)	0	0
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ in Separate Accounts Statement)	19,152,084	29,579,203
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	22,152,084	32,579,203
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	382,556,342	397,403,227
DETAILS OF WRITE-INS		
2501. Unclaimed Property	0	120
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	120
3101. Deferred Gain on Ceded Reinsurance	(1)	24,541
3102.	0	0
3103.	0	0
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)	(1)	24,541
3401.	0	0
3402.	0	0
3403.	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	263,354	267,922,351
2. Considerations for supplementary contracts with life contingencies	0	0
3. Net investment income (Exhibit of Net Investment Income, Line 17)	18,448,829	13,036,213
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	(13,364)	100,537
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	93,671	1,941,191
7. Reserve adjustments on reinsurance ceded	0	0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	0	0
8.2 Charges and fees for deposit-type contracts	44,280	123,336
8.3 Aggregate write-ins for miscellaneous income	22,564	28,639
9. Totals (Lines 1 to 8.3)	18,859,334	281,152,267
10. Death benefits	147,593	238,564
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	0	0
13. Disability benefits and benefits under accident and health contracts	197,002	43,524
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0
15. Surrender benefits and withdrawals for life contracts	0	0
16. Group conversions	21,813,671	20,573,519
17. Interest and adjustments on contract or deposit-type contract funds	0	0
18. Payments on supplementary contracts with life contingencies	199,509	249,571
19. Increase in aggregate reserves for life and accident and health contracts	205,432	294,349
20. Totals (Lines 10 to 19)	10,031,712	257,752,188
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	12,531,495	279,151,715
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	22,547	9,250,504
23. General insurance expenses and fraternal expenses (Exhibit 2, Line 10, Columns 1, 2, 3, 4 and 6)	0	0
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3 + 5)	7,560,554	6,327,869
25. Increase in loading on deferred and uncollected premiums	530,297	691,412
26. Net transfers to or (from) Separate Accounts net of reinsurance	(4)	0
27. Aggregate write-ins for deductions	0	0
28. Totals (Lines 20 to 27)	65,011	1,140,270
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 minus Line 28)	20,709,900	286,561,770
30. Dividends to policyholders and refunds to members	(1,850,566)	(13,409,503)
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29) minus Line 30)	18,859,334	273,152,267
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	(1,850,566)	(13,409,503)
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	256,458	524,766
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)	(2,107,024)	(13,934,269)
35. Net income (Line 33 plus Line 34)	(2,289,117)	34,202
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	32,579,203	35,728,324
37. Net income (Line 35)	(2,289,117)	34,202
38. Change in net unrealized capital gains (losses) less capital gains tax of \$	(4,396,141)	(13,900,068)
39. Change in net unrealized foreign exchange capital gain (loss)	110,000	11,203
40. Change in net deferred income tax	0	(390,784)
41. Change in nonadmitted assets	1,741,945	3,584,125
42. Change in liability for reinsurance in unauthorized and certified companies	(5,314,675)	(1,528,482)
43. Change in reserve on account of change in valuation basis, (increase) or decrease	0	0
44. Change in asset valuation reserve	0	0
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)	(2,543,706)	(675,031)
46. Surplus (contributed to) withdrawn from Separate Accounts during period	0	0
47. Other changes in surplus in Separate Accounts statement	0	0
48. Change in surplus notes	0	0
49. Cumulative effect of changes in accounting principles	0	0
50. Capital changes:		
50.1 Paid in	0	0
50.2 Transferred from surplus (Stock Dividend)	0	0
50.3 Transferred to surplus	0	0
51. Surplus adjustment:		
51.1 Paid in	0	0
51.2 Transferred to capital (Stock Dividend)	10,000,000	0
51.3 Transferred from capital	0	11,203
51.4 Change in surplus as a result of reinsurance	0	0
52. Dividends to stockholders	0	0
53. Aggregate write-ins for gains and losses in surplus	(24,542)	(250,085)
54. Net change in capital and surplus for the year (Lines 37 through 53)	(10,427,119)	(3,149,122)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	22,152,084	32,579,202
DETAILS OF WRITE-INS		
08.301 Administrative and Service Fee Income	22,564	28,639
08.302	0	0
08.303	0	0
08.398 Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399 Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	22,564	28,639
2701. Reinsurance Funds Withheld Investment Income	0	0
2702. Miscellaneous Expenses	63,383	1,140,270
2703. Fines & Penalties	1,628	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	65,011	1,140,270
5301. Deferred Gain on Ceded Reinsurance	0	0
5302. Deferred Gain on Reinsurance	(24,542)	(250,085)
5303.	0	0
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	(24,542)	(250,085)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	263,356	267,929,580
2. Net investment income	17,286,978	10,609,368
3. Miscellaneous income	160,515	2,093,166
4. Total (Lines 1 through 3)	17,710,849	280,632,113
5. Benefit and loss related payments	11,811,823	59,936,646
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	7,946,813	17,490,280
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	19,758,636	77,426,926
11. Net cash from operations (Line 4 minus Line 10)	(2,047,786)	203,205,187
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	110,916,444	148,809,301
12.2 Stocks	111,303	0
12.3 Mortgage loans	0	14,754,982
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	810	(18,164)
12.7 Miscellaneous proceeds	4,709,698	4,823,211
12.8 Total investment proceeds (Lines 12.1 to 12.7)	115,738,254	168,169,330
13. Cost of investments acquired (long-term only):		
13.1 Bonds	163,322,448	329,596,380
13.2 Stocks	5,477,963	0
13.3 Mortgage loans	0	14,754,982
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	172,171,438	262,611
14. Net increase (decrease) in contract loans and premium notes	(36,643)	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(56,396,952)	(176,444,642)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	10,000,000
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	297,449	1,294,600
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	779,385	(58,224,264)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	1,076,835	(46,929,664)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(57,367,904)	(20,169,120)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	78,316,451	98,485,571
19.2 End of year (Line 18 plus Line 19.1)	20,948,547	78,316,451

BANKERS LIFE INSURANCE COMPANY
SCHEDULE OF AFFILIATED INVESTMENTS
SEPTEMBER 30, 2019 AND DECEMBER 31, 2019 COMPARISON

Trust Account	CUSIP Identification	Description	Actual Cost	Book/ Adjusted Carrying Value September 30, 2019	Book/ Adjusted Carrying Value December 31, 2019	Change
N/A	9947669V1	NIH CAPITAL, LLC	759,233	759,233	759,233	-
N/A	9941328T5	ACADEMY FINANCIAL ASSETS, LLC	2,842,897	2,013,040	2,842,897	829,856
N/A	9941557U3	HPCSP INVESTMENTS, LLC	584,018	584,018	584,018	-
N/A	9941327T4	AFA fka AFI Term	590,336	-	619,117	619,117
N/A	9941329T6	AFA FKA GIC SR. NOTE	2,170,000	-	2,330,892	2,330,892
N/A	04686@AA9	AUGUSTA ASSET MANAGEMENT, LLC	4,271,474	4,271,474	4,419,464	147,990
N/A	05777@AA6	BALDWIN ASSET MANAGEMENT, LLC	1,051,309	1,051,309	1,087,187	35,878
N/A	06367UAA5	BANK MONTREAL MEDIUM TERM SR BK NTS BOOK ENTRY 144	2,816,332	5,000,000	3,004,250	(1,995,750)
N/A	06739FJM4	BARCLAYS BANK PLC	3,368,280	6,022,138	3,368,280	(2,653,858)
N/A	13973@AA2	CAPITAL ASSETS FUND I LLC	3,187,786	3,187,786	3,441,266	253,480
N/A	37562#AA6	Gilford Asset Management, LLC	4,495,895	4,495,895	4,657,319	161,424
N/A	37940*AA3	Academy Financial Assets, LLC	3,136,069	3,136,069	3,298,955	162,886
N/A	40905#AA6	HAMPTON ASSET MANAGEMENT, LLC	871,091	871,091	901,693	30,602
N/A	46275@AA7	IRON CITY ASSET MANAGEMENT, LLC	741,186	741,186	771,262	30,076
N/A	46563@AA8	ITECH FUNDING LLC	1,021,304	1,021,304	1,074,972	53,668
N/A	46662#AA6	JACKSON ASSET MANAGEMENT, LLC	762,154	762,154	788,918	26,764
N/A	78013GSS5	ROYAL BK CDA	2,170,000	2,170,000	-	(2,170,000)
N/A	86576#AA7	SUMMERSVILLE ASSET MANAGEMENT, LLC	1,005,189	1,005,189	1,067,498	62,309
N/A	87339#AA3	TAC INVESTMENTS LLC	5,444,304	5,444,304	5,657,946	213,642
N/A	9941317U8	CAPITAL ASSETS FUND V, LLC	3,867,012	3,867,012	4,017,619	150,607
N/A	9941317V6	CAPITAL ASSETS FUND IV, LLC	3,491,012	3,491,012	3,490,995	(17)
N/A	35472MAA4	FRANKLIN STR 2018-1 LLC	1,700,000	3,073,128	1,700,000	(1,373,128)
N/A	65532NAA7	NOM GB 2018 I LLC	1,055,913	1,818,308	1,055,252	(763,056)
N/A	72083RAA7	PIERRE MENDES LLC	3,766,200	5,999,999	4,183,502	(1,816,498)
N/A	9944639X1	CV INVESTMENTS, LLC	1,102,461	1,102,461	1,102,461	-
N/A	9942228W1	GILFORD ASSET MANAGEMENT, LLC	147,347	147,347	147,347	-
N/A	9941318T3	CAPITAL ASSETS MANAGEMENT II, LLC	1,365,633	1,365,633	1,365,629	(4)
N/A	9941317T1	CAPITAL ASSETS FUND II, LLC	2,627,968	2,627,968	2,627,968	-
Total Affiliated Investments			60,412,402	66,029,059	60,365,938	(5,663,120)

Summary of activity (rounded to hundred-thousands)

Decrease in PPN positions due to unwinding activities	(11,400,000)
Increase in loans due to PPN underlying assignments	3,600,000
Increase due to capitalization of interest for senior loans	2,100,000
Total	(5,700,000)

COLORADO BANKERS LIFE INSURANCE COMPANY
NORTH CAROLINA COMMISSIONER OF INSURANCE AS REHABILITATOR
AS OF DECEMBER 31, 2019,
A BALANCE SHEET
AS OF DECEMBER 31, 2019
A SUMMARY OF OPERATIONS AND STATEMENT OF CASH FLOW
THROUGH DECEMBER 31, 2019
AND
A SCHEDULE OF AFFILIATED INVESTMENTS
AS OF DECEMBER 31, 2019

INTRODUCTION

BACKGROUND

Colorado Bankers Life Insurance Company (hereinafter, "Company") was originally incorporated under the laws of the State of Colorado as a stock life insurance company on May 28, 1974. On December 14, 2015, the Company redomesticated to North Carolina. On June 27, 2019, the Wake County Superior Court (hereinafter, the "Court") issued an Order of Rehabilitation (hereinafter, "Order") against the Company and appointed the Commissioner of Insurance for the State of North Carolina as Rehabilitator (hereinafter, the "Rehabilitator"). On June 27, 2019, the Court also entered an Order Granting Motion for Moratorium on Policy Surrenders and Other Relief (hereinafter "Moratorium").

The Company is part of a group of insurance companies known as Global Bankers Insurance Group (hereinafter, "GBIG"). GBIG is part of a larger group of companies known as Eli Global. Eli Global is owned by Greg Lindberg.

PURPOSE OF THIS REPORT

The purpose of this report is to provide a quarterly update to the Court, as required by the Order, on the work that the Rehabilitator and his staff have carried out since the issuance of the Order, to set out the present situation of the Company, and to provide a balance sheet and schedule of affiliated investments as of December 31, 2019, and a summary of operations and statement of cash flow through December 31, 2019.

LIMITATIONS

This report is based only on the knowledge that the Rehabilitator and his staff have gained from the work performed since the issuance of the Order. Facts may exist that the Rehabilitator is unaware of that may have a material effect on the information provided in this report. The Rehabilitator will update the information in future quarterly reports as additional facts are discovered.

SUMMARY

COMPANY PROPERTY

- In accordance with the Order, the Rehabilitator has taken possession of all known assets and property of the Company.
- The Rehabilitator is currently evaluating the Company's in-force business and reinsurance programs in furtherance of determining the feasibility of a successful rehabilitation.

MEMORANDUM OF UNDERSTANDING AND INTERIM LOAN AGREEMENT

On June 27, 2019, the Company entered into a Memorandum of Understanding ("MOU") and Interim Loan Amendment ("ILA") with Greg E. Lindberg, Academy Association, Inc. and Edwards Mill Asset Management, LLC. The Parties executed this MOU to set forth their agreements regarding, among other things, (i) the immediate partial amendment of, among other things, the interest rate and repayment terms of various affiliated loans through the ILA; (ii) the global restructuring of various affiliated companies through the formation of a new holding company; and (iii) the global restructuring and modifications of all affiliated loans, including

assignment of the loans to such new holding company. The restructuring was to be completed by September 30, 2019, so The Company, along with the other insurance companies in rehabilitation, filed a complaint against the other parties to the MOU on October 1, 2019. See the Investment Portfolio and Litigation sections for more information.

INVESTMENT PORTFOLIO

The goal of the Rehabilitator is to reduce the amount of affiliated investments and to increase long-term liquidity. The non-affiliated investments are invested primarily in publicly traded securities. The Rehabilitator is working on a plan for the Eli Global non-insurance operating companies to repay the affiliated investments.

- The Company has approximately 38% of its assets invested in affiliated investments as of December 31, 2019.
- Affiliated assets represent 1,148% of surplus.
- In June 2019, the Company extended a \$40m line of credit (LOC) to American Financial Academy, LLC, an affiliate, for liquidity purposes. As of December 31, 2019, \$39.9m had been advanced. The LOC requires monthly interest payments and matures on June 27, 2020.
- Per the ILA, interest on the senior loans was reduced to 5% and was deferred for six months until December 27, 2019 and then is to be capitalized as part of the principal balance. Interest is payable quarterly beginning in 2020. The balance for the affiliated investments reflects the capitalized interest. The maturity date is December 31, 2029.
- Per the ILA, interest on the junior loans was reduced to 5.5% and was deferred for twelve months until June 27, 2020 and then is to be capitalized as part of the principal balance. Interest is payable quarterly beginning in 2021. The balance for the affiliated investments reflects the capitalized interest. The maturity date is June 30, 2029.
- Per the ILA, the return on the preferred equity was reduced to 6%.
- Per the ILA, interest on the insurance holding company loans was reduced to 0.0%. The maturity date is June 30, 2026.

REINSURANCE

The Company entered into a reinsurance agreement with Nederlandsche Algemeene Maatschappij Van Levensversicherung "Conservatrix" N.V. (Conservatrix). The agreement was originally effective March 31, 2017 and provided for CBLIC to reinsure Conservatrix on an aggregate excess of loss basis with treaty. The Rehabilitator disavowed the reinsurance agreement on December 22, 2019. See the Litigation section for additional information.

EXPENSE REDUCTIONS

- The Rehabilitator is evaluating the Company's contracts to identify those that are essential for ongoing operations. As part of this effort, the Rehabilitator is also attempting to negotiate more favorable terms of essential contracts.

LITIGATION

To the Rehabilitator's knowledge, at the time of the Order, the Company is a party to the following lawsuits:

Nathan Safford v. Colorado Bankers Life Insurance Company, Benefits for America, William Maxwell McMullen, et al., Case No. CV-17-900014, Circuit Court for Bullock County, State of Alabama

The case was filed on February 7, 2019, alleging misrepresentation, fraudulent suppression, breach of fiduciary duty, negligence, negligent hiring/training/supervision, and conspiracy regarding sale of life insurance policies.

Plaintiff filed a second amended complaint on February 7, 2019, along with written discovery. The complaint joined new party defendants. Those new defendants were: Greg Lindberg; Southland National Holdings, Inc.; Global Bankers Insurance Group, LLC; SNA Capital, LLC; and Bankers Reinsurance Company Ltd. The newly-joined defendants, including Southland National Holdings, Inc., moved to dismiss the complaint on March 18. This motion remains pending. Further, the Court entered an order continuing the April 23, 2019 trial setting, did not provide a new trial date, nor did it enter a new scheduling order.

On September 4, 2019, the trial court stayed the case on notice of the North Carolina North Carolina Rehabilitation order staying and granting and injunctive relief. The case was placed on the Administrative Docket.

Harry Smith v. Colorado Bankers Life Insurance Company, Benefits for America, William Maxwell McMullen, et al., Case No. CV-17-000485, Circuit Court for Montgomery County, State of Alabama

The case was filed on February 8, 2019, alleging misrepresentation, fraudulent suppression, breach of fiduciary duty, negligence, negligent hiring/training/supervision, and conspiracy regarding sale of life insurance policies.

Discovery was conducted with an anticipated trial date in December 2019.

On September 15, 2019, the trial court stayed the case on notice of the North Carolina Rehabilitation order staying and granting and injunctive relief and scheduled a status conference for September 15, 2020. The case was placed on the Administrative Docket.

Colorado Bankers Life Insurance Company v. Avalon by the Sea AC, LLC, et al., Case no. 18-SM-cv-00144, Superior Court of California, Los Angeles County

The case was filed on October 17, 2018. The Company sued Avalon, alleging default on credit facility for mental health and drug/alcohol rehabilitation facilities in Southern California and seeking appointment of a receiver. Alpine Capital is the agent/servicer.

The appointed receiver is attempting to maximize value and ultimately sell assets of Avalon. Following reports of the Receiver and at the request of Colorado Bankers Life Insurance Company, the court extended the Receivership through April 20, 2020.

In re Marriage of Alice C. Lager v. Howard E. Lager and Global Bankers Insurance Group (potential joinder of Colorado Bankers Life Insurance Company), Case No. 18WHFL00213, Superior Court of California, County of Los Angeles

The case was filed on May 22, 2019. This is a divorce proceeding in which Petitioner alleges an interest in the Colorado Bankers Life Insurance Company's policies of Respondent.

Joinder was filed adding GBIG, LLC as defendant in divorce proceeding on May 22, 2019. Defendant/Husband is a policyholder of Colorado Bankers Life Insurance Company. Counsel for Petitioner has been advised she joined the wrong party.

Estate of Douglas S. Long v. Colorado Bankers Life Insurance Co., et al, Case No. VCU 281258, Tulare County, State of California.

The case was filed on January 2, 2020. This is a claim for payment on a life insurance policy. Counsel for the estate has been requested to dismiss or stay the case due the rehabilitation order and injunction.

Southland National Insurance Corporation in Rehabilitation, Bankers Life Insurance Company in Rehabilitation, Colorado Bankers Life Insurance Company in Rehabilitation, and Southland National Reinsurance Corporation in Rehabilitation v. Greg Lindberg, Academy Association, Inc., Edwards Mill Asset Management, LLC, New England Capital, LLC, and Private Bankers Life and Annuity Co., Ltd., Case No. 19 CVS 013093, Wake County, North Carolina.

This case was filed on October 1, 2019, alleging a breach of the contract entered into by the parties on June 27, 2019. An Amended Complaint was filed on October 28, 2019, and added claims for fraud and negligent misrepresentation arising from statements contained in the June 27, 2019 contract and the Defendants' conduct.

On October 1, 2019, the Wake County Superior Court entered a Temporary Restraining Order ("TRO"), which will remain in place, by consent of the parties, until the Court enters an order on Plaintiffs' Motion for Preliminary Injunction. Essentially, the TRO prohibits the Defendants from taking any action that would negatively impact the value of Plaintiffs' investments into Defendants' companies. In their Motion for Preliminary Injunction, Plaintiffs' have requested that the relief granted in the TRO be extended through the pendency of the litigation, and that a receiver be appointed to, among other things, monitor compliance with the TRO.

The Defendants moved to dismiss the original complaint and the amended complaint on various grounds. The Court denied those motions in an Order filed on January 21, 2020.

Colorado Bankers Life Insurance Company v. Nederlandsche Algemeene Maatschappij Van Levensversicherung Conservatrix N.V., et al., Case No. 19 CVS 17191, Wake County, North Carolina

On December 22, 2019, the Rehabilitator advised Nederlandsche Algemeene Maatschappij Van Levensversicherung Conservatrix N.V. ("Conservatrix") that he was disavowing a 2017 reinsurance agreement and related trust agreement between Conservatrix and Colorado Bankers Life. Later that same day, Conservatrix presented its arbitration demand to the Rehabilitator, and the following day - on December 23, 2019 - the Rehabilitator applied for and obtained a Temporary Restraining Order ("TRO") from the Wake County Superior Court ("Court"), restraining Conservatrix and the trustee for the trust account - Fifth Third Bank - from removing, disturbing, or otherwise interfering with any of the assets in the trust account and restraining Conservatrix from proceeding or acting upon its arbitration demand. The return date for the TRO was extended by agreement of the parties until March 2, 2020, at which time the Court will hold a hearing to determine whether to convert the TRO into a preliminary injunction.

OTHER MATTERS

- Pursuant to the Moratorium Order, the Rehabilitator has imposed a moratorium on cash surrenders, annuitizations, and policy loans against the Company's policies until such time as the Court approves lifting of the moratorium.
- In accordance with the Moratorium Order, the Rehabilitator has adopted and implemented a policy to provide substitute benefits in lieu of the contractual obligations of the Company for annuity benefits and cash withdrawals for policyholders who petition for payment under claims of legitimate hardship. As of February 12, 2020, 674 hardship cases have been received. 223 were approved, 165 were denied due to insufficient information, 47 were denied due to not meeting the hardship qualifications and 239 are in process.

CONTINUATION OF BUSINESS

The Company reduced writing the majority of new business in October 2018 and ceased all new business as of the date of the Order. A final decision as to the course of action to take with the Company has not yet been determined.

INTRODUCTION TO COLORADO BANKERS LIFE INSURANCE COMPANY
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019

Introduction and Basis of Presentation: The Company is a North Carolina domiciled life, accident and health insurance company that was placed in rehabilitation by the Wake County Superior Court on June 27, 2019. The Company is under the control of the Commissioner of Insurance of the State of North Carolina, in his capacity as Court appointed Rehabilitator. It is the Rehabilitator's responsibility to take possession of the assets of the Company and to administer them under the general supervision of the Court.

The accompanying unaudited financial statements were prepared by the Company's staff for the period of April 1, 2019, to June 26, 2019, and subsequent to the Order under the direct supervision of the Rehabilitator's staff, as of December 31, 2019. The financial statements have been prepared in accordance with Statutory Accounting Principles promulgated by the National Association of Insurance Commissioners.

On July 26, 2019, the Governor of North Carolina signed into law, House Bill 220. This bill amends N.C. Gen. Stat §58-19-10(b), which limits the amount of investments in affiliates and subsidiaries to the lesser of ten percent (10%) of the insurer's admitted assets or fifty percent (50%) of the insurer's policyholders' surplus, provided that after those investments, the insurer's policyholders' surplus will be reasonable in relation to the insurers' outstanding liabilities and adequate to its financial needs. The excess amount of affiliated investments should be non-admitted. As of December 31, 2019, the Company has \$939m of excess affiliated investments. Should this amount be non-admitted, the Company would have a negative surplus of \$854m.

The December 31, 2019 balance of the investments listed on the Affiliated Investment schedule include the capitalized amount of interest deferred on the senior loans through December 27, 2019 in accordance with the Interim Loan Amendment. The amount of capitalized interest has been estimated based on all available information. Once a final reconciliation is complete, the amount of capitalized interest may change.

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	2,412,238,874		2,412,238,874	2,206,581,762
2. Stocks (Schedule D):				
2.1 Preferred stocks	67,412,249		67,412,249	0
2.2 Common stocks	2,409,400		2,409,400	1,186,700
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ _____ encumbrances)	5,927,200		5,927,200	0
4.2 Properties held for the production of income (less \$ _____ encumbrances)			0	0
4.3 Properties held for sale (less \$ _____ encumbrances)			0	0
5. Cash (\$ _____,40,409,412 , Schedule E-Part 1), cash equivalents (\$ _____,16,507,686 , Schedule E-Part 2) and short-term investments (\$ _____,24,762,384 , Schedule DA)	81,623,302		81,623,302	403,894,420
6. Contract loans (including \$ _____ premium notes)	8,206,865		8,206,865	7,591,174
7. Derivatives (Schedule DB)	835,687		835,687	287,827
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities	33,728		33,728	6,100,000
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	2,578,687,305	0	2,578,687,305	2,625,641,883
13. Title plants less \$ _____ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	13,555,979		13,555,979	26,409,206
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	819,559	229,559	590,000	628,065
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ _____ earned but unbilled premiums)	8,853,863		8,853,863	9,653,509
15.3 Accrued retrospective premiums (\$ _____) and contracts subject to redetermination (\$ _____)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	316,740	109,428	207,312	56,989
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts	28,113		28,113	2,345,475
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	2,804,722		2,804,722	905,067
18.2 Net deferred tax asset	54,497,343	54,497,343	0	11,168,457
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$ _____)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	582,248		582,248	312
24. Health care (\$ _____) and other amounts receivable	19,647		19,647	5,485
25. Aggregate write-ins for other-than-invested assets	3,694,863	3,194,863	500,000	290,988
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,663,860,382	58,031,193	2,605,829,189	2,677,105,437
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	2,663,860,382	58,031,193	2,605,829,189	2,677,105,437
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Miscellaneous Receivables	1,529,045	1,029,045	500,000	290,988
2502. Negative Interest Maintenance Reserve	2,165,818	2,165,818	0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,694,863	3,194,863	500,000	290,988

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ _____ (Exhibit 5, Line 9899999) less \$ _____ included in Line 6.3 (including \$ _____ Modco Reserve)	2,327,663,534	2,112,238,757
2. Aggregate reserve for accident and health contracts (including \$ _____ Modco Reserve)	885,671	1,034,240
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ _____ Modco Reserve)	11,827,425	13,910,151
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	10,374,710	21,276,062
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	160,723	287,206
5. Policyholders' dividends/refunds to members \$ _____ and coupons \$ _____ due and unpaid (Exhibit 4, Line 10)	0	0
6. Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year—estimated amounts:		
6.1 Policyholders' dividends and refunds to members apportioned for payment (including \$ _____ Modco)	0	0
6.2 Policyholders' dividends and refunds to members not yet apportioned (including \$ _____ Modco)	0	0
6.3 Coupons and similar benefits (including \$ _____ Modco)	0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6	0	0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ _____ discount; including \$ _____ accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14)	1,069,916	1,569,822
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts	0	0
9.2 Provision for experience rating refunds, including the liability of \$ _____ accident and health experience rating refunds of which \$ _____ is for medical loss ratio rebate per the Public Health Service Act	0	0
9.3 Other amounts payable on reinsurance, including \$ _____ assumed and \$ _____ ceded	5,338,382	571,164
9.4 Interest Maintenance Reserve (IMR, Line 6)	0	3,161,888
10. Commissions to agents due or accrued-life and annuity contracts \$ _____ accident and health \$ _____ and deposit-type contract funds \$ _____	15,313	8,439
11. Commissions and expense allowances payable on reinsurance assumed	0	0
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 7)	1,236,593	139,484
13. Transfers to Separate Accounts due or accrued (net) (including \$ _____ accrued for expense allowances recognized in reserves, net of reinsured allowances)	0	0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 6)	38,494	2,298,141
15.1 Current federal and foreign income taxes, including \$ _____ on realized capital gains (losses)	0	0
15.2 Net deferred tax liability	0	0
16. Unearned investment income	0	0
17. Amounts withheld or retained by reporting entity as agent or trustee	1,455,378	0
18. Amounts held for agents' account, including \$ _____ agents' credit balances	0	0
19. Remittances and items not allocated	3,018,552	1,179,638
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0
21. Liability for benefits for employees and agents if not included above	0	0
22. Borrowed money \$ _____ and interest thereon \$ _____	0	0
23. Dividends to stockholders declared and unpaid	0	0
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7)	24,841,014	8,610,198
24.02 Reinsurance in unauthorized and certified (\$ _____) companies	0	0
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$ _____) reinsurers	118,172,454	313,331,261
24.04 Payable to parent, subsidiaries and affiliates	11,081,622	2,604,674
24.05 Drafts outstanding	0	0
24.06 Liability for amounts held under uninsured plans	0	0
24.07 Funds held under coinsurance	0	0
24.08 Derivatives	0	0
24.09 Payable for securities	0	0
24.10 Payable for securities lending	0	0
24.11 Capital notes \$ _____ and interest thereon \$ _____	0	0
25. Aggregate write-ins for liabilities	286,561	360,084
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	2,517,466,342	2,482,521,209
27. From Separate Accounts statement	0	0
28. Total liabilities (Lines 26 and 27)	2,517,466,342	2,482,521,209
29. Common capital stock	1,500,000	1,500,000
30. Preferred capital stock	1,000,000	1,000,000
31. Aggregate write-ins for other than special surplus funds	8,425,878	9,417,399
32. Surplus notes	9,000,000	9,000,000
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	204,976,020	204,976,020
34. Aggregate write-ins for special surplus funds	0	0
35. Unassigned funds (surplus)	(136,539,051)	(31,309,191)
36. Less treasury stock, at cost:		
36.1 _____ shares common (value included in Line 29 \$ _____)	0	0
36.2 _____ shares preferred (value included in Line 30 \$ _____)	0	0
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ _____ in Separate Accounts Statement)	85,862,847	192,084,228
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	88,362,847	194,584,228
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	2,605,829,189	2,677,105,437
DETAILS OF WRITE-INS		
2501. Unclaimed Property	286,561	360,084
2502. _____	0	0
2503. _____	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	286,561	360,084
3101. Deferred Gain on Reinsurance	8,425,878	9,417,399
3102. _____	0	0
3103. _____	0	0
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)	8,425,878	9,417,399
3401. _____	0	0
3402. _____	0	0
3403. _____	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	273,736,519	1,333,935,404
2. Considerations for supplementary contracts with life contingencies	112,190	0
3. Net investment income (Exhibit of Net Investment Income, Line 17)	116,422,980	92,304,865
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	292,842	1,608,632
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	2,337,164	5,426,617
7. Reserve adjustments on reinsurance ceded	0	0
8. Miscellaneous income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	0	0
8.2 Charges and fees for deposit-type contracts	0	54,848
8.3 Aggregate write-ins for miscellaneous income	1,242,998	1,624,826
9. Totals (Lines 1 to 8.3)	394,144,693	1,434,955,792
10. Death benefits	10,964,490	13,168,739
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	5,241,430	6,681,952
13. Disability benefits and benefits under accident and health contracts	6,111,267	3,095,446
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0
15. Surrender benefits and withdrawals for life contracts	85,254,667	65,189,448
16. Group conversions	0	0
17. Interest and adjustments on contract or deposit-type contract funds	493,304	530,682
18. Payments on supplementary contracts with life contingencies	60,509	166,454
19. Increase in aggregate reserves for life and accident and health contracts	215,319,006	1,273,096,381
20. Totals (Lines 10 to 19)	323,444,673	1,362,029,082
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	13,479,662	61,867,833
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	581,258	(1,508,886)
23. General insurance expenses and fraternal expenses (Exhibit 2, Line 10, Columns 1, 2, 3, 4 and 6)	37,612,903	25,659,886
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3 + 5)	3,193,727	4,270,179
25. Increase in loading on deferred and uncollected premiums	(1,847,550)	1,185,396
26. Net transfers to or (from) Separate Accounts net of reinsurance	0	0
27. Aggregate write-ins for deductions	0	0
28. Totals (Lines 20 to 27)	8,499,917	9,982,340
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 minus Line 28)	384,964,590	1,463,465,850
30. Dividends to policyholders and refunds to members	9,180,103	(28,510,658)
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29) minus Line 30)	9,180,103	(28,510,658)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	2,564,741	21,035,654
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	6,615,362	(49,546,312)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)	(77,598,650)	(2,872,152)
35. Net income (Line 33 plus Line 34)	70,983,288	(52,418,464)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	194,584,228	121,737,730
37. Net income (Line 35)	70,983,288	(52,418,464)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$	1,534,023	(385,542)
39. Change in net unrealized foreign exchange capital gain (loss)	(1,265,948)	(5,835,349)
40. Change in net deferred income tax	19,933,610	28,676,030
41. Change in nonadmitted assets	(34,179,665)	(19,174,192)
42. Change in liability for reinsurance in unauthorized and certified companies	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease	0	0
44. Change in asset valuation reserve	(16,230,816)	(6,531,125)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period	0	0
47. Other changes in surplus in Separate Accounts statement	0	0
48. Change in surplus notes	0	0
49. Cumulative effect of changes in accounting principles	0	0
50. Capital changes:		
50.1 Paid in	0	0
50.2 Transferred from surplus (Stock Dividend)	0	0
50.3 Transferred to surplus	0	0
51. Surplus adjustment:		
51.1 Paid in	0	0
51.2 Transferred to capital (Stock Dividend)	130,184,854	0
51.3 Transferred from capital	0	0
51.4 Change in surplus as a result of reinsurance	(4,037,777)	0
52. Dividends to stockholders	0	0
53. Aggregate write-ins for gains and losses in surplus	(991,520)	(1,669,714)
54. Net change in capital and surplus for the year (Lines 37 through 53)	(106,221,381)	72,846,498
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	88,362,847	194,584,228
DETAILS OF WRITE-INS		
08.301 Commissions, Service & Issue Fees and Other	455,162	628,142
08.302 Amortization of Surplus due to IMR	787,836	996,684
08.303	0	0
08.398 Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399 Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	1,242,998	1,624,826
2701. Modified Coinsurance Expense	(75,525)	(90,467)
2702. Reinsurance funds withheld Investment Income	8,529,606	10,072,169
2703. Fines and penalties	22,809	638
2798. Summary of remaining write-ins for Line 27 from overflow page	23,027	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	8,499,917	9,982,340
5301. Deferred Gain on Reinsurance	(991,520)	(1,669,714)
5302.	0	0
5303.	0	0
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	(991,520)	(1,669,714)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	76,622,716	1,373,434,134
2. Net investment income	95,701,475	78,645,994
3. Miscellaneous income	3,580,162	7,106,291
4. Total (Lines 1 through 3)	175,904,353	1,459,186,419
5. Benefit and loss related payments	(114,607,599)	(72,716,389)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	64,463,131	98,260,815
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	4,464,396	10,000,000
10. Total (Lines 5 through 9)	(48,144,202)	(72,716,389)
11. Net cash from operations (Line 4 minus Line 10)	(7,630,773)	1,278,209,214
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,031,166,855	967,408,963
12.2 Stocks	17,125,229	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(169,021)	2,957,045
12.7 Miscellaneous proceeds	102,229,119	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,150,352,182	970,366,008
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,285,632,267	2,498,867,439
13.2 Stocks	93,282,020	868,000
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	6,100,000	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,478,608,622	2,519,197,071
14. Net increase (decrease) in contract loans and premium notes	0	878,766
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(328,256,440)	(1,549,709,829)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	90,800,000
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(2,082,726)	(1,859,799)
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	15,698,821	5,013,603
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	13,616,095	93,953,804
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(322,271,118)	(177,546,811)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	403,894,420	581,441,231
19.2 End of year (Line 18 plus Line 19.1)	81,623,302	403,894,420

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

20.0001. Transfer of premium related to affiliated reinsurance recapture	201,532,461	0
20.0002. Settlement of CY FIT payable through surplus contribution		12,526,317
20.0003. Capital Contribution in the form of bonds		26,858,537
20.0004.		0
20.0005.		0
20.0006.		0
20.0007.		0
20.0008.		0
20.0009.		0
20.0010.		0

OVERFLOW PAGE FOR WRITE-INS

L004 Additional Aggregate Lines for Page 04 Line 27.
*SUMOPS - Summary of Operations

	1	2
	Current Year	Prior Year
2704. Other miscellaneous expenses	23.027	
2797. Summary of remaining write-ins for Line 27 from Page 4	23.027	0

COLORADO BANKERS LIFE INSURANCE COMPANY
SCHEDULE OF AFFILIATED INVESTMENTS
09/30/2019 and 12/31/2019 COMPARISON

Trust Account	CUSIP Identification	Description	Actual Cost	Book/ Adjusted Carrying Value September 30, 2019	Book/ Adjusted Carrying Value December 31, 2019	Change
N/A	00405@AA7	ACADEMY FINANCIAL ASSETS	\$ 19,698,000	\$ 19,634,178	\$ 20,484,799	\$ 850,620
N/A	37940*AA3	ACADEMY FINANCIAL ASSETS	8,462,891	8,435,725	8,873,861	438,136
N/A	9941326T3	ACADEMY FINANCIAL ASSETS - REVOLVER	33,905,524	39,905,524	39,905,524	-
N/A	9941328T5	ACADEMY FINANCIAL ASSETS FKA AFI PROMISSORY NOTE	24,196,820	24,196,820	32,173,169	7,976,349
N/A	9941327T4	AFA FKA AFI TERM	5,674,149	-	5,950,782	5,950,782
N/A	9941329T6	AFA FKA GIC SR. NOTE	21,700,000	-	23,308,921	23,308,921
N/A	00856#AD3	AGERA ENERGY LLC	35,000,000	1	1	-
N/A	9941268Z6	ALPHARETTA	2,097,465	1,979,348	1,979,348	-
N/A	00224#AA4	AR PURCHASING SOLUTIONS 2, LLC	2,841,811	2,841,811	3,111,299	269,488
N/A	00223@AA7	AR PURCHASING SOLUTIONS, LLC	2,140,418	2,182,589	2,579,609	397,020
N/A	K0004@AA0	AT DENMARK INVESTMENTS	8,534,551	8,534,551	8,934,166	399,614
N/A	04686@AA9	AUGUSTA ASSET MANAGEMENT, INC	4,271,474	4,271,474	4,419,464	147,990
N/A	05777@AA6	BALDWIN ASSET MANAGEMENT, INC	21,225,457	20,943,243	21,656,067	712,824
N/A	06367UAA5	BANK MONTREAL MEDIUM TERM SR BK NTS BOOK ENTRY 144	62,212,661	62,212,926	37,385,743	(24,827,182)
N/A	06739FJM4	BARCLAYS BANK PLC	76,399,342	76,398,455	42,758,514	(33,639,941)
N/A	L0770#AA9	BEAUFORT HOLDINGS S.A.	6,009,693	5,666,850	5,865,113	198,263
N/A	13972#AA1	CAPITAL ASSET MANAGEMENT III, LLC	29,625,000	28,272,026	29,420,746	1,148,719
N/A	13973@AA2	CAPITAL ASSETS FUND I, LLC	60,007,146	60,007,581	64,779,275	4,771,694
N/A	9941317V6	CAPITAL ASSETS FUND IV, LLC	42,910,111	34,910,113	34,909,950	(163)
N/A	9941317U8	CAPITAL ASSETS FUND V, LLC	41,443,522	37,203,522	38,612,150	1,408,628
N/A	16230#AA2	CHATWORTH ASSET MANAGEMENT, INC.	22,384,145	22,384,145	23,106,101	721,956
N/A	20465#AA0	COMPLYSMART, LLC	3,002,000	3,002,000	3,161,427	159,427
N/A	23570*AA0	DAMASCUS ASSET MANAGEMENT, INC.	18,791,160	18,791,160	19,383,002	591,842
N/A	29412#AA5	EPHESUS ASSET MANAGEMENT, INC.	21,139,806	21,026,497	21,687,850	661,353
N/A	34610#AA5	FOREST PARK ASSET MANAGEMENT, INC.	17,246,459	17,246,459	17,784,595	538,135
N/A	35472MAA4	FRANKLIN STR 2018-1 LLC	47,990,349	29,538,060	16,320,000	(13,218,060)
N/A	40905#AA6	HAMPTON ASSET MANAGEMENT, INC	22,097,474	22,097,661	22,873,984	776,323
N/A	9941557U3	HPCSP INVESTMENTS PROMISORY NOTE	4,051,293	4,051,293	4,051,293	-
N/A	9941556V4	HPCSP INVESTMENTS SENIOR NOTE	7,016,140	7,016,140	7,333,764	317,624
N/A	G4919@AA1	INTRALAN INVESTMENTS LIMITED	4,152,310	4,152,310	4,345,388	193,078
N/A	46275@AA7	IRON CITY ASSET MANAGEMENT, INC.	25,275,943	21,890,569	22,778,831	888,262
N/A	46563@AA8	ITECH FUNDING LLC	19,281,368	19,281,368	20,313,840	1,032,472
N/A	46662#AA6	JACKSON ASSET MANAGEMENT, INC.	20,725,423	20,725,610	21,452,108	726,498
N/A	49803@AA2	KITE ASSET MANAGEMENT INC	34,622,923	34,624,363	36,059,207	1,434,844.09
N/A	51703#AA7	LARES, LLC	4,489,111	4,489,111	4,661,314	172,202
N/A	53250#AA0	LILY ASSET MANAGEMENT INC	33,084,925	32,684,928	34,045,395	1,360,466
N/A	57187#AA9	MARSHALLA ASSET MANAGEMENT, LLC	31,082,941	31,082,941	32,271,283	1,188,342
N/A	9947669V1	NIH CAPITAL, LLC	11,407,477	11,407,477	11,407,477	-
N/A	65532NAA7	NOM GB 2018 I LLC	2,213,899	2,212,709	1,284,142	(928,567)
N/A	69902#AA8	PARADISE ASSET MANAGEMENT INC	39,700,000	28,574,289	30,317,533	1,743,244
N/A	69322@AA2	PCF LLC	3,196,289	3,196,289	3,303,149	106,860
N/A	72083RAA7	PIERRE MENDES LLC	59,999,993	59,999,993	41,835,018	(18,164,975)
N/A	77294@AA9	ROCKDALE ASSET MANAGEMENT INC	39,700,000	29,003,704	30,706,053	1,702,348
N/A	78013GSS5	ROYAL BK CDA	21,700,000	21,700,000	-	(21,700,000)
N/A	X7552#AC1	STANDARD FINANCIAL LIMITED	3,819,822	3,819,822	4,069,925	250,104
N/A	86576#AA7	SUMMERVILLE ASSET MANAGEMENT, INC.	23,752,824	21,939,073	23,301,977	1,362,904
N/A	90225@AA6	TYBEE ISLAND ASSET MANAGEMENT, INC.	28,743,436	28,733,301	29,553,578	820,277
N/A	9944639X1	CV INVESTMENTS, LLC	12,590,691	12,590,691	12,590,627	(64)
N/A	9942228W1	GILFORD ASSET MANAGEMENT, LLC	1,771,121	1,771,121	1,771,121	-
N/A	9941318T3	CAPITAL ASSETS MANAGEMENT II, LLC	21,346,767	21,346,767	21,346,767	-
N/A	9941317T1	CAPITAL ASSETS FUND II, LLC	33,555,104	31,703,735	31,703,735	-
Total Affiliated Investments			\$ 1,148,287,229	\$ 1,029,680,326	\$ 981,928,985	\$ (47,751,341)

Summary of activity (rounded to hundred-thousands)

Decrease in PPN positions due to unwinding	(118,000,000)
Increase due to capitalization of interest for senior loans	35,400,000
Increase in Loans due to PPN underlying assignments	34,900,000
	<u>(47,700,000)</u>

NORTH CAROLINA

DURHAM COUNTY

VERIFICATION

MICHAEL DINIUS, being first duly sworn, deposes and says that he is appointed as Special Deputy Rehabilitator for Southland National Insurance Corporation, Southland National Reinsurance Corporation, Bankers Life Insurance Company and Colorado Bankers Life Insurance Company by the Commissioner of Insurance for the State of North Carolina, and in his capacity as Rehabilitator, that he has read the foregoing quarterly report of activity of the Rehabilitator as of December 31, 2019, and a balance sheet, summary of operations, statement of cash flow, and schedule of affiliated investments as of December 31, 2019, of Southland National Insurance Corporation, Southland National Reinsurance Corporation, Bankers Life Insurance Company and Colorado Bankers Life Insurance Company for the period from June 27, 2019, the date of rehabilitation, through December 31, 2019, and that the contents of same are true and correct to the best of his knowledge and belief, based on the books and records of the Companies.

This the 13 day of February, 2020.



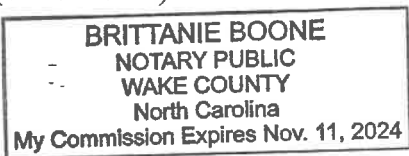
Special Deputy Rehabilitator for
Southland National Insurance Corporation
Southland National Reinsurance Corporation
Bankers Life Insurance Company
Colorado Bankers Life Insurance Company

NORTH CAROLINA

DURHAM COUNTY

Sworn to and subscribed before me this

The 13 day of February, 2020.
(Official Seal)


Notary Public

My Commission Expires: NOV. 11, 2024