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IN THE DISTRICT COURT OF LANCASTER COUNTY, NEBRASKA

STATE OF NEBRASKA, ex rel.)
 L. TIM WAGNER,)
 DIRECTOR OF INSURANCE OF)
 THE STATE OF NEBRASKA,)
)
 Petitioner,)
)
 vs.)
)
 AMWEST SURETY INSURANCE)
 COMPANY,)
)
 Respondent.)

Case No. CI 01 2102

APPLICATION NO. 105
(FILING DECEMBER 31, 2009
FINANCIAL STATEMENTS AND FOR
ORDER APPROVING SAME)

Ann M. Frohman, Liquidator ("Liquidator") of Amwest Surety Insurance Company ("Amwest"), files herewith December 31, 2009 financial statements of Amwest and applies to the Court for an Order approving the same.

This application is made pursuant to the Nebraska Insurers Supervision, Rehabilitation and Liquidation Act, NEB. REV. STAT. § 44-4801 *et seq.*, specifically NEB. REV. STAT. § 44-4818 (5), and paragraph 7 of the Order of Liquidation, Declaration of Insolvency and Injunction dated June 7, 2001, wherein the Liquidator is required to file certain financial reports and accounting with the Court for the period ending December 31, 2001 and at least annually thereafter.

December 31, 2009 financial statements of Amwest, including a balance sheet and a statement of receipts and disbursements are attached hereto as Exhibit A and incorporated herein by reference.

LANCASTER COUNTY
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 CLERK OF THE
 DISTRICT COURT

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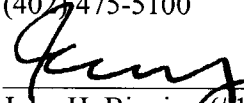
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The Liquidator prays for an Order approving the financial statements.

DATED: March 23, 2010.

ANN M. FROHMAN, DIRECTOR OF THE
DEPARTMENT OF INSURANCE, STATE OF
NEBRASKA, LIQUIDATOR OF AMWEST
SURETY INSURANCE COMPANY, Petitioner

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AMWEST SURETY INSURANCE COMPANY, IN LIQUIDATION

Balance Sheet
4Q09

Assets	(a)	(b)	(c)	(f)
Bonds	746,030		53,232,799	
Common stocks	0		1,719,165	
Mortgage loans	0		70,236	
Real estate	0			
Cash	22,863,761		280,026	
Agents balances	0		881,503	
Reinsurance recoverables on paid	289,036		68,400	
EDP	0		7,084,187	
Accrued interest and dividends	18,774		13,898	
Write ins	2,334,560	(1)	0	
Total Assets	<u>26,252,161</u>			
(1) Aggregate write-ins assets				
Collateral/Contract Fund receivable	8,304			
Early Access Payments - GF's	2,326,256			
Other assets	0			
	<u>2,334,560</u>			
(2) Aggregate write-ins liabilities				
Brokers commission payable	606,321			
Tax Provision	600,000			
Other liabilities	831,126			
	<u>2,037,447</u>			
Total Liabilities and Surplus			<u>26,252,161</u>	
Total Liabilities			<u>89,065,238</u>	
Surplus			<u>(62,813,077)</u>	
Total Liabilities and Surplus			<u>26,252,161</u>	

(a) \$.6 million in Restricted Statutory Deposits most for benefit of Policyholders of selected states and not for the benefit of all policyholders
 (b) \$.8 million in Restricted Statutory Deposits most for benefit of Policyholders of selected states and not for the benefit of all policyholders
 (c) Subject to Proof of Claim Process and Ult. Collection of Reinsurance
 (d) This accrual deviates from Statutory Accounting/Projected Administrative Expenses of Liquidation
 (e) Secured Liabilities
 (f) Excludes all claims for which defaults occurred subsequent to bond cancellation date

** This Balance Sheet deviates from Statutory Accounting Principles as set forth in footnote (d) above

EXHIBIT A
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AMWEST SURETY INSURANCE COMPANY, IN LIQUIDATION
 Statement of Cash Receipts and Disbursements
 Information Through December 31, 2009

	June 7, 2001 to Dec. 31, 2001	2002	2003	2004	2005	2006	2007	2008	2009	June 7, 2001 to December 31, 2009
Receipts:										
Fee income	5,908,648	2,927,553	2,265,913	918,510	492,609	65,061	2,240	75	-	12,580,609
Net reinsurance transactions	8,472,307.00	811,652.08	660.72	553.06	8,597,754.00	-	-	1,327,268	1,279,204	20,489,398
Indemnity recoveries	1,550,876.00	2,306,761.61	1,952,625.86	1,773,178.33	1,282,355.43	2,066,145	1,163,320	1,496,650	495,902	14,087,814
Contract fund recoveries	2,413,209.00	968,643.23	982,110.10	1,877,368.07	0.00	-	24,297	540,979	925,708	7,732,314
Collateral recoveries	884,770.00	516,580.37	2,664,738.07	574,933.51	96,794.25	-	-	258,904	-	4,996,721
Interest income	1,065,647.00	1,768,730.46	1,261,975.05	902,606.95	1,237,934.08	1,598,635	2,182,661	1,094,715	136,098	11,249,002
Agents balances	2,697,471.00	856,084.81	557,774.85	252,494.05	47,471.09	4,781	3,251	-	-	4,419,327
Settlements and Preferences	11,557.97	512,564.12	2,822,244.07	1,389,383.31	4,834,989.43	1,303,865	-	3,931,994	286,169	15,092,766
Administrative reimbursement	34,380.53	37,373.43	48,183.16	64,152.74	67,861.77	4,906	30,000	-	-	286,858
Miscellaneous	216,735.19	234,754.57	485,615.62	802,267.64	25,084.76	31,136	495,640	146,720	317	2,438,271
Total cash receipts	23,255,602	10,940,698	13,041,841	8,555,448	16,682,853	5,074,528	3,901,409	8,797,304	3,123,398	93,373,080
Disbursements:										
Net operating costs	(5,311,170)	(5,764,722)	(3,552,957)	(3,512,098)	(2,593,868)	(2,426,710)	(1,359,283)	(1,021,651)	(733,596)	(26,276,054)
Payroll and related costs	(3,887,478)	(3,532,631)	(2,021,528)	(1,209,464)	(826,772)	(320,215)	(206,046)	(262,063)	(259,033)	(12,525,230)
Loss and LAE payments	(566,913)	(3,066,781)	(2,957,017)	(2,061,946)	(1,631,732)	(1,758,245)	(807,065)	(12,960,170)	(9,862,358)	(35,672,226)
Early Access Payments	(67,468)	(73,342)	9,906	617,961	(651,526)	-	-	-	-	(2,860,461)
Net Bail Exchange Transactions	(9,833,029)	(12,437,476)	(8,521,596)	(6,165,547)	(5,703,898)	(4,505,170)	(5,232,855)	(14,243,884)	(10,854,986)	(164,470)
Total cash disbursements	(19,365,864)	(22,874,932)	(17,993,102)	(13,577,596)	(11,797,089)	(13,294,290)	(11,366,229)	(37,743,807)	(31,750,029)	(117,433,195)
Net operating cash flows	13,422,573	(1,496,778)	4,520,245	2,389,901	10,978,955	569,358	(1,331,446)	(5,446,579)	(7,731,588)	15,874,640
Other cash flows:										
Release of encumbered assets	-	500,500	1,477,550	254,948	647,140	432,476	-	463,871	483,757	4,260,241
Net investment transactions	(9,353,094)	15,504,518	4,722,647	(5,654,902)	(7,576,219)	10,159,540	22,416,332	-	1,954	30,220,775
Fiduciary Funds Paid to FWIC	-	-	-	-	-	-	-	(1,822,403)	-	(1,822,403)
Net Cash Collateral Transactions	(4,033,088)	(4,384,177)	(6,858,466)	(841,549)	(128,048)	(14,313)	(4,539,471)	(1,499,534)	(656,621)	(22,955,267)
Total other cash flows	(13,386,182)	11,620,841	(658,269)	(6,241,503)	(7,057,128)	10,577,702	17,876,861	(2,868,066)	(170,910)	9,703,346
Net cash Flows	36,391	10,124,063	3,861,976	(3,851,603)	3,921,828	11,147,061	16,545,415	(8,304,646)	(7,902,498)	25,577,986

EXHIBIT A
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