

QUARTERLY STATEMENT

OF THE

MGA Insurance Company, Inc.

of **Dallas**

in the state of **Texas**

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

June 30, 2014

PROPERTY AND CASUALTY

2014



40150201420100102

QUARTERLY STATEMENT

AS OF JUNE 30, 2014
OF THE CONDITION AND AFFAIRS OF THE
MGA Insurance Company, Inc.

NAIC Group Code	0000	,	0000	NAIC Company Code	40150	Employer's ID Number	75-1767545
	(Current Period)		(Prior Period)				
Organized under the Laws of	Texas			State of Domicile or Port of Entry	Texas		
Country of Domicile	United States of America						
Incorporated/Organized	May 22, 1981			Commenced Business	August 13, 1981		
Statutory Home Office	3333 Lee Parkway Suite 1200			Dallas, TX US 75219			
	(Street and Number)			(City or Town, State, Country and Zip Code)			
Main Administrative Office	3333 Lee Parkway Suite 1200						
	(Street and Number)						
	Dallas, TX	US	75219	972-629-4301			
	(City or Town, State, Country and Zip Code)			(Area Code)	(Telephone Number)		
Mail Address	Post Office Box 199023			Dallas, TX US 75219-9023			
	(Street and Number or P.O. Box)			(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	3333 Lee Parkway Suite 1200			Dallas, TX US 75219 972-629-4301			
	(Street and Number)			(City or Town, State, Country and Zip Code)	(Area Code)	(Telephone Number)	
Internet Website Address	www.gainsco.com						
Statutory Statement Contact	Donald Alan Baker			972-629-4379			
	(Name)			(Area Code)	(Telephone Number) (Extension)		
	don.baker@gainsco.com			972-629-4339			
	(E-Mail Address)			(Fax Number)			

OFFICERS

	Name	Title
1.	Glenn Walden Anderson	President
2.	Richard Millard Buxton	Secretary
3.	Daniel Jay Coots	Treasurer

VICE-PRESIDENTS

Name	Title	Name	Title
Richard Millard Buxton	Senior Vice President	Gregory Alan Castleman	Senior Vice President
Daniel Jay Coots	Senior Vice President	Terence James Lynch	Senior Vice President
Brian Christopher Dosser	Senior Vice President	Phillip John West	Senior Vice President
Danny Ray Earnest	Vice President	Donald Alan Baker	Vice President
Jin Liu	Vice President	Scott David Harris	Vice President

DIRECTORS OR TRUSTEES

Robert William Stallings	Glenn Walden Anderson	Gregory Alan Castleman	Daniel Jay Coots
Richard Millard Buxton	Jin Liu	Phillip John West	

State of Texas

County of Dallas ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Glenn Walden Anderson	Richard Millard Buxton	Daniel Jay Coots
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
11 day of August, 2014

Susan Morrison

a. Is this an original filing? Yes No
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	154,854,440		154,854,440	154,440,190
2. Stocks:				
2.1 Preferred stocks	1,482,800		1,482,800	1,434,800
2.2 Common stocks	525		525	525
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (2,703,669)), cash equivalents (\$ 0), and short-term investments (\$ 20,122,549)	17,418,880		17,418,880	19,934,655
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	14,785,305		14,785,305	7,515,124
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	188,541,950		188,541,950	183,325,294
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,458,285		1,458,285	1,480,472
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,669,287	34,526	2,634,761	2,615,150
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	34,813,352		34,813,352	31,202,039
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	2,192		2,192	1,302
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	80,886		80,886	21,825
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	6,474,000		6,474,000	6,474,000
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	1,485,241		1,485,241	1,792,733
21. Furniture and equipment, including health care delivery assets (\$ 0)	482,723	478,176	4,547	7,016
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	605,366		605,366	562,059
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	831,044	831,044		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	237,444,326	1,343,746	236,100,580	227,481,890
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	237,444,326	1,343,746	236,100,580	227,481,890

DETAILS OF WRITE-IN LINES				
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 expenses	830,794	830,794		
2502. Other assets	250	250		
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	831,044	831,044		

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 31,647,848)	67,953,050	65,725,639
2. Reinsurance payable on paid losses and loss adjustment expenses	18,596	8,362
3. Loss adjustment expenses	7,845,486	6,833,496
4. Commissions payable, contingent commissions and other similar charges	215,635	324,463
5. Other expenses (excluding taxes, licenses and fees)	4,519,671	3,823,836
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,224,354	1,125,808
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	70,127	18,811
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 0 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	50,725,957	45,146,506
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	71,879	32,894
16. Provision for reinsurance (including \$ 0 certified)	6,105	6,105
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	1,193,216	1,353,867
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	90,760	387,346
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	133,934,836	124,787,133
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	133,934,836	124,787,133
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	12,000,000	12,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	80,325,157	80,325,157
35. Unassigned funds (surplus)	15,840,587	16,369,600
36. Less treasury stock, at cost:		
36.1. 6,000,000 shares common (value included in Line 30 \$ 6,000,000)	6,000,000	6,000,000
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	102,165,744	102,694,757
38. Totals (Page 2, Line 28, Col. 3)	236,100,580	227,481,890

DETAILS OF WRITE-IN LINES		
2501. Unearned interest	75,939	132,894
2502. Unclaimed property	14,821	254,452
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	90,760	387,346
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 101,245,444)	95,655,111	96,729,429	191,223,712
1.2 Assumed (written \$ 182,491)	193,374	269,134	500,247
1.3 Ceded (written \$ 331,614)	331,614	339,332	655,769
1.4 Net (written \$ 101,096,321)	95,516,871	96,659,231	191,068,190
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 53,152,140):			
2.1 Direct	52,409,748	54,012,603	108,151,933
2.2 Assumed	(435,373)	348,537	136,108
2.3 Ceded	(5,321)	814	278
2.4 Net	51,979,696	54,360,326	108,287,763
3. Loss adjustment expenses incurred	14,906,457	17,988,615	32,647,209
4. Other underwriting expenses incurred	26,139,962	25,954,962	48,996,636
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	93,026,115	98,303,903	189,931,608
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	2,490,756	(1,644,672)	1,136,582
INVESTMENT INCOME			
9. Net investment income earned	1,914,933	2,185,079	4,227,504
10. Net realized capital gains (losses) less capital gains tax of \$ 0	52,192	484,595	614,095
11. Net investment gain (loss) (Lines 9 + 10)	1,967,125	2,669,674	4,841,599
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	1,572	16,061	19,079
15. Total other income (Lines 12 through 14)	1,572	16,061	19,079
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	4,459,453	1,041,063	5,997,260
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	4,459,453	1,041,063	5,997,260
19. Federal and foreign income taxes incurred	51,316	13,512	38,452
20. Net income (Line 18 minus Line 19) (to Line 22)	4,408,137	1,027,551	5,958,808
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	102,694,757	92,247,125	92,247,125
22. Net income (from Line 20)	4,408,137	1,027,551	5,958,808
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 70,551	207,504	531,529	453,258
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			3,635,497
27. Change in nonadmitted assets	(144,654)	582,035	406,174
28. Change in provision for reinsurance			(6,105)
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders	(5,000,000)		
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	(529,013)	2,141,115	10,447,632
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	102,165,744	94,388,240	102,694,757

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Miscellaneous income (loss)	1,572	16,061	19,079
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	1,572	16,061	19,079
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

Cash from Operations	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	97,355,916	97,059,437	190,560,980
2. Net investment income	3,283,643	3,394,748	7,036,722
3. Miscellaneous income	17,467	23,534	112,606
4. Total (Lines 1 to 3)	100,657,026	100,477,719	197,710,308
5. Benefit and loss related payments	49,744,175	60,364,146	113,227,983
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	39,347,642	45,282,534	81,336,145
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	89,091,817	105,646,680	194,564,128
11. Net cash from operations (Line 4 minus Line 10)	11,565,209	(5,168,961)	3,146,180
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	15,376,795	32,499,881	57,386,224
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets	1,406,707	1,195,446	1,390,310
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		873	4,450
12.7 Miscellaneous proceeds		90	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	16,783,502	33,696,290	58,780,984
13. Cost of investments acquired (long-term only):			
13.1 Bonds	16,925,872	35,910,302	60,524,133
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets	8,676,888	1,750,864	6,186,658
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	25,602,760	37,661,166	66,710,791
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(8,819,258)	(3,964,876)	(7,929,807)
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	5,000,000		
16.6 Other cash provided (applied)	(261,726)	1,659,131	1,566,047
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(5,261,726)	1,659,131	1,566,047
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)	(2,515,775)	(7,474,706)	(3,217,580)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	19,934,655	23,152,235	23,152,235
19.2 End of period (Line 18 plus Line 19.1)	17,418,880	15,677,529	19,934,655

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

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

(A) Accounting Practices

The accompanying statutory financial statements of MGA Insurance Company, Inc. (Company) have been prepared on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance. The state of Texas requires insurance companies domiciled in the state of Texas to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) subject to any deviations prescribed or permitted by the Texas Department of Insurance.

In these statements, the only difference between Texas prescribed practices and NAIC SAP is that Texas regulations allow furniture and equipment to be admitted assets whereas NAIC SAP does not. Reconciliations of net income and policyholders' surplus between amounts presented in the financial statements (Texas basis) and NAIC SAP are as follows:

	6-30-14	12-31-13
Net Income		
(1) Net income, Texas basis	4,408,137	5,958,808
(2) State Prescribed Practices for Furniture and Equipment that increase/(decrease) NAIC SAP	-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP	-	-
(4) NAIC SAP	4,408,137	5,958,808
Surplus		
(5) Policyholders' surplus, Texas basis	102,165,744	102,694,757
(6) State Prescribed Practices for Furniture and Equipment that increase/(decrease) NAIC SAP	4,547	7,016
(7) State Permitted Practices that increase/(decrease) NAIC SAP	-	-
(8) NAIC SAP	102,161,197	102,687,741

(B) Use of Estimates

No significant changes

(C) Accounting Policies

No significant changes

(2) Accounting Changes and Corrections of Errors

No significant changes

(3) Business Combinations and Goodwill

No significant changes

(4) Discontinued Operations

There were no operations that were discontinued in the current or prior year.

(5) Investments

(A) Mortgage Loans

Not applicable

(B) Troubled Debt Restructuring for Debtors

Not applicable

(C) Reverse Mortgages

Not applicable

(D) Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage-backed securities were obtained from internal estimates consistent with the current interest rates and economic environment and projections of security dealers available on the Bloomberg information system.

(2) The following table summarizes by quarter other-than-temporary impairments (OTTI) recorded during the year because the Company had either the intent to sell the securities or the inability or lack of intent to retain as cited in the table:

	Amortized Cost Before OTTI	OTTI Recognized	Fair Value (1-2)
Other Than Temporary Impairment recognized 1 st quarter			
a. Intent to sell			
b. Inability or lack of intent to retain investment in the security for a period of time sufficient to recover the amortized cost basis	1,858,766	6,776	1,851,990
c. Total 1 st quarter	1,858,766	6,776	1,851,990
Other Than Temporary Impairment recognized 2 nd quarter			
d. Intent to sell			
e. Inability or lack of intent to retain investment in the security for a period of time sufficient to recover the amortized cost basis			
f. Total 2 nd quarter	0	0	0
Other Than Temporary Impairment recognized 3 rd quarter			
g. Intent to sell			
h. Inability or lack of intent to retain investment in the security for a period of time sufficient to recover the amortized cost basis			
i. Total 3 rd quarter			
Other Than Temporary Impairment recognized 4 th quarter			
j. Intent to sell			
k. Inability or lack of intent to retain investment in the security for a period of time sufficient to recover the amortized cost basis			
l. Total 4 th quarter			
m. Annual aggregate total	XXXXX	6,776	XXXXX

NOTES TO FINANCIAL STATEMENTS

- (3) The following table reflects securities with an OTTI recognized in current year earnings based on the fact the present value of cash flows expected to be collected was less than the amortized cost basis of the securities:

CUSIP/ Description	Amortized Cost Before OTTI	Present Value of Projected Cash Flows	OTTI Recognized	Amortized Cost After OTTI	Fair Value at Time of OTTI	Financial Statement Date Reported
75114T-AC-5 RALI 2006-QS5 A3	773,110	770,532	2,578	770,532	736,654	3-31-14
75115D-AF-2 RALI 2006-QS13 1A6	1,085,656	1,081,458	4,198	1,081,458	965,338	3-31-14
Total OTTI			6,776			

- (4) The following table summarizes gross unrealized investment losses on loan-backed securities based on length of time continuously in these unrealized loss positions as of quarter end:

a. Aggregate amount of unrealized losses:	
1. Less than 12 months	18,625
2. 12 months or longer	641,868
3. Total	660,493
b. Aggregate fair value of securities with unrealized loss:	
1. Less than 12 months	1,468,311
2. 12 months or longer	3,281,176
3. Total	4,749,487

- (5) All loan-backed securities in an unrealized loss position were reviewed to determine whether an OTTI should be recognized. For those securities in an unrealized loss position as of June 30, 2014, the Company has made a decision not to sell any such securities. The Company has evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their cost basis. The conclusions are supported by a detailed analysis of the underlying credit and projected cash flows on each security. It is possible that the Company could recognize an OTTI in the future on some of the securities held if future events, information and the passage of time cause it to conclude that declines in value are other-than-temporary.

(E) Repurchase Agreements and/or Securities Lending Transactions

(1-2) No significant changes

(3) There were no agreements or transactions involving collateral.

(F) Writedowns for Impairment of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features

Not applicable

(G) Low Income Housing Tax Credits

Not applicable

(H) Restricted Assets

No significant changes

(I) Working Capital Finance Investments

Not applicable

(6) **Joint Ventures, Partnerships and Limited Liability Companies**

No significant changes

(7) **Investment Income**

No significant changes

(8) **Derivative Instruments**

The Company does not own derivative instruments.

(9) **Income Taxes**

No significant changes

(10) **Information Concerning Parent, Subsidiaries and Affiliates**

No significant changes

(11) **Debt**

(A) Amount, Interest, Maturities, Collateral, Covenants

The Company has no debt outstanding.

(B) Funding Agreements with Federal Home Loan Bank (FHLB)

The Company has no Federal Home Loan Bank agreements.

(12) **Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

(A) Defined Benefit Plan

The company does not have a defined benefit plan.

(B through F) No significant changes

NOTES TO FINANCIAL STATEMENTS

(13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

No significant changes

(14) Contingencies

No significant changes

(15) Leases

No significant changes

(16) Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The Company does not have any financial instruments where there is off-balance-sheet-risk of accounting loss due to credit or market risk.

(17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**(A) Transfer of Receivables Reported as Sales**

Not applicable

(B) Transfer and Servicing of Financial Assets

There were no transactions involving the transfer or servicing of financial assets.

(C) Wash Sales

(1) In the course of the Company's asset management, securities may be sold and reacquired within thirty days of the sale date to enhance the yield on the investments and to offset realized loss carryforwards for federal income tax purposes.

(2) There were no wash sale transactions involving unrated securities or securities with an NAIC designation of 3 or below.

(18) Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

The Company has no such plans.

(19) Direct Premium Written / Produced by Managing General Agents / Third Party Administrators

No significant change

(20) Fair Value Measurement**(A) Inputs Used for Assets and Liabilities Measured and Reported at Fair Value****(1) Items Measured and Reported at Fair Value by Levels 1, 2 and 3**

The Company has categorized its assets and liabilities that are measured at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The levels are defined as follows:

Level 1 – Quoted Prices in Active Markets for Identical Assets and Liabilities: This category, for items measured at fair value on a recurring basis, includes exchange-traded preferred and common stocks. The estimated fair value of the equity securities within this category are based on quoted prices in active markets.

Level 2 – Significant Other Observable Inputs: This category for items measured at fair value on a recurring basis includes bonds, loan-back securities, preferred stocks and common stocks which are not exchange-traded. The estimated fair values of some of these items were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded.

Level 3 – Significant Unobservable Inputs: This category includes valuations based on models where significant inputs are not observable. The unobservable inputs reflect the Company's own estimates as to the assumptions that market participants would use. Investments classified as Level 3 are comprised of securities for which values provided by an independent pricing service or quoted market prices were not used, many of which are not publicly traded or are not actively traded.

Description	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
Bonds				
Issuer obligations		3,328,993		3,328,993
Residential mortgage-backed		3,281,176		3,281,176
Preferred stock - perpetual	482,800			482,800
Total Assets at Fair Value	482,800	6,610,169	0	7,092,969

All of the Company's Level 1 and Level 2 invested assets held as of June 30, 2014 were priced using either independent pricing services or available market prices to determine fair value. The Company classifies such instruments in active markets as Level 1 and those not in active markets as Level 2. Those for which the independent pricing service value is used are classified as Level 2. At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph 3 below. There were no transfers between Levels 1 and 2 during the second quarter of 2014.

(2) Rollforward of Level 3 Items:

Description	Level 3 Balance at 12-31-13	Gains (Losses) Included in Income	Gains (Losses) Included in Surplus	Purchases	Sales	Transfers into Level 3	Transfers out of Level 3	Level 3 Balance at 6-30-14
Assets at Fair Value								
Bonds and asset-backed securities	-	-	-	-	-	-	-	-
Total Assets at Fair Value	0	0	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

(3) Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. The above table of Level 3 assets begins with the prior period balance and adjusts the balance for the gains or losses (realized and unrealized) that occurred during the current period. Any new purchases that are identified as Level 3 securities are added, and any sales of securities which were previously identified as Level 3 are subtracted. Next, any securities which were previously identified as Level 1 or Level 2 securities and which are currently identified as Level 3 are added. Finally, securities which were previously identified as Level 3 and which are now designated as Level 1 or as Level 2 are subtracted.

(4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

Level 2 securities have a fair value derived from a market price estimate provided by an independent pricing service. This generally involves a matrix pricing approach which looks at the characteristics of securities traded in actual market transactions and maps them into categories. If the specific security to be priced has not recently traded, it is also categorized, and the market yield on deemed similar instruments is applied to that issue. For securities backed by mortgage loans, key inputs include the market required loss adjusted yield, and the projected default rate, severity, and voluntary prepayment speed on the underlying collateral.

The Company owns one Level 3 instrument, a CAPCO bond whose principal is repaid through premium tax credits granted by a program established by the State of Texas. It is valued through the cash flow method. The estimated premium tax credit utilization schedule is discounted by a rate equal to a spread to the US Treasury curve which was utilized for pricing the bond at the time of issuance.

(5) Derivative Fair Values

Not applicable

(B) Other Fair Value Disclosures

Not applicable

(C) Fair Values for All Financial Instruments by Levels 1, 2 and 3

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, partnerships). The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20(A). The Company does not have any liabilities measured at fair value.

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practical (Carrying Value)
Bonds	157,670,723	155,854,440	10,240,280	146,414,529	1,015,914	-
Perpetual preferred stock	482,800	482,800	482,800	-	-	-
Cash, cash equivalents and short-term investments	17,419,267	17,418,880	2,790,145	14,629,122	-	-
Total Assets	175,572,790	173,756,120	13,513,225	161,043,651	1,015,914	0

(D) Financial Instruments for Which Not Practical to Estimate Fair Values

Not applicable

(21) Other Items

(A) through (F) No significant changes

(G) Offsetting and Netting of Assets and Liabilities

None

(H) Not applicable

(22) Events Subsequent

There were no events occurring subsequent to the close of the books for this statement that would have a material effect on the financial condition of the Company.

(23) Reinsurance

No significant changes

(24) Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable

(25) Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years increased by \$3,122,617 during the current year as a result of ongoing analysis of recent loss development. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

(26) Intercompany Pooling Arrangements

Not applicable

(27) Structured Settlements

The Company has not entered into any structured settlements.

(28) Health Care Receivables

Not applicable

(29) Participating Policies

Not applicable

NOTES TO FINANCIAL STATEMENTS

(30) Premium Deficiency Reserves

The Company evaluated the need to record a premium deficiency reserve and determined no reserve is necessary.

(31) High Deductibles

The Company does not write high deductible coverages.

(32) Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

The Company does not discount liabilities for unpaid losses or unpaid loss adjustment expenses.

(33) Asbestos / Environmental Reserves

Not applicable

(34) Subscriber Savings Accounts

Not applicable

(35) Multiple Peril Crop Insurance

Not applicable

(36) Financial Guaranty Insurance

(A) The Company does not write financial guaranty insurance.

(B) The Company does not have insured financial obligations.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []

If yes, complete Schedule Y, Parts 1, and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] N/A []
 If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2013

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____ 12/31/2010

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). _____ 12/09/2011

6.4 By what department or departments?
 Texas Department of Insurance

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

GENERAL INTERROGATORIES

7.2 If yes, give full information

.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....
.....

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

.....

9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 8,886

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

GENERAL INTERROGATORIES

11.2 If yes, give full and complete information relating thereto:

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ _____

13. Amount of real estate and mortgages held in short-term investments: \$ _____

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No []

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ 525	\$ 525
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 525	\$ 525
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement. Yes [] No []

16. For the reporting entity's security lending program, state the amount of the following as current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.3 Total payable for securities lending reported on the liability page	\$ _____

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Wells Fargo Bank, N.A. attn. Institutional Trust - Risk Management	Northstar East - 5th Floor MAC N9032-054 608 2nd Avenue South, Minneapolis, MN 55479

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]

GENERAL INTERROGATORIES

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
.....

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

18.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] N/A [X]
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
 If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto:

.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....
.....
.....
TOTAL		

5. Operating Percentages:

5.1. A&H loss percent _____ %

5.2. A&H cost containment percent _____ %

5.3. A&H expense percent excluding cost containment expenses _____ %

6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ _____

6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____

NONE Schedule F

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - Allocated by States and Territories

States, Etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		Active Status	2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama	AL	L						
2. Alaska	AK	N						
3. Arizona	AZ	L	7,153,612	8,189,776	3,952,625	5,030,769	6,586,365	6,587,602
4. Arkansas	AR	L						
5. California	CA	L	33,976	127,490	103,798	69,249	76,250	104,500
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	L						
9. District of Columbia	DC	L						
10. Florida	FL	L	33,713,517	44,543,756	21,233,816	33,151,593	24,368,566	28,593,978
11. Georgia	GA	L	3,262,686	3,721,660	1,745,992	2,145,894	3,035,045	3,065,797
12. Hawaii	HI	N						
13. Idaho	ID	L						
14. Illinois	IL	L						
15. Indiana	IN	L						
16. Iowa	IA	L						
17. Kansas	KS	L						
18. Kentucky	KY	L						
19. Louisiana	LA	L						
20. Maine	ME	N						
21. Maryland	MD	L						
22. Massachusetts	MA	N						
23. Michigan	MI	N						
24. Minnesota	MN	N						
25. Mississippi	MS	L						
26. Missouri	MO	L						
27. Montana	MT	L						
28. Nebraska	NE	L						
29. Nevada	NV	L	244	6,504	5,000	4,731		9,500
30. New Hampshire	NH	N						
31. New Jersey	NJ	N						
32. New Mexico	NM	L	4,583,877	4,775,575	2,010,097	2,005,965	5,985,847	4,211,277
33. New York	NY	N						
34. North Carolina	NC	L						
35. North Dakota	ND	N						
36. Ohio	OH	L						
37. Oklahoma	OK	L	1,433,648	1,152,295	446,593	646,448	933,016	950,582
38. Oregon	OR	L						
39. Pennsylvania	PA	L						396
40. Rhode Island	RI	N						
41. South Carolina	SC	L	6,814,921	5,715,559	3,080,348	2,720,318	4,833,530	3,797,032
42. South Dakota	SD	N						
43. Tennessee	TN	L						
44. Texas	TX	L	41,696,258	31,209,645	16,290,019	14,348,903	20,816,494	15,648,789
45. Utah	UT	L						
46. Vermont	VT	N						
47. Virginia	VA	L	2,552,705	418,427	605,004	13,649	851,236	108,400
48. Washington	WA	L						
49. West Virginia	WV	L						
50. Wisconsin	WI	N						
51. Wyoming	WY	L						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CAN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals	(a) 35		101,245,444	99,860,687	49,473,292	60,137,519	67,486,349	63,077,853

DETAILS OF WRITE-INS							
58001.		X X X					
58002.		X X X					
58003.		X X X					
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X					
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X					

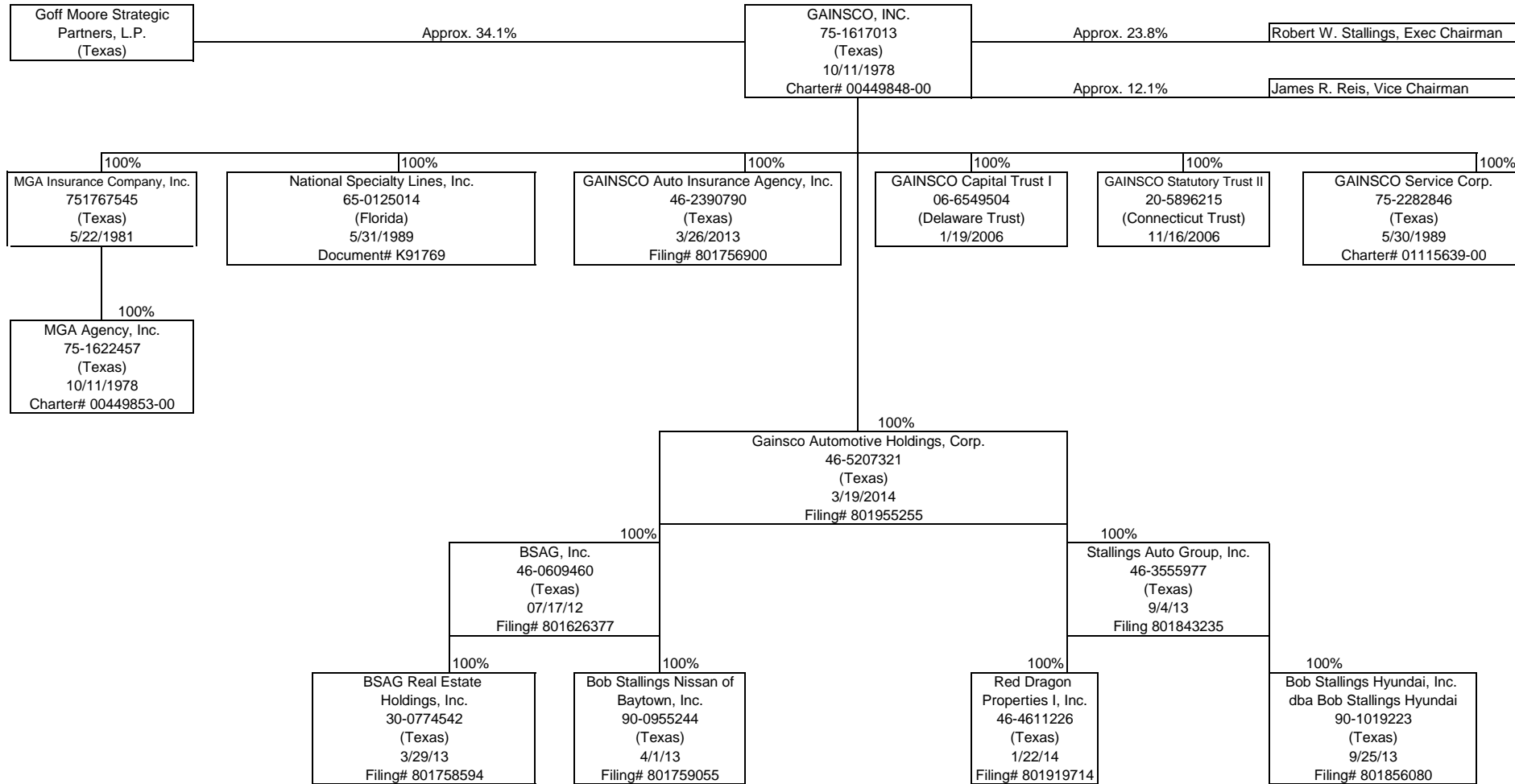
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG: (R) Registered - Non-domiciled RRGs: (Q) Qualified - Qualified or Accredited Reinsurer:

(E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state: (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
		00000	75-1617013		786344	OTC Pink	GAINSCO, INC.	TX	UDP	See Organizational Chart	Ownership		See Organizational Chart	1
		00000	75-2282846				GAINSCO Service Corp.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	
		40150	75-1767545				MGA Insurance Company, Inc.	TX		GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	
		00000	75-1622457				MGA Agency, Inc.	TX	DS	MGA Insurance Company, Inc.	Ownership	100.0	GAINSCO, INC.	
		00000	06-6549504				GAINSCO Capital Trust I	DE	OTH	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	2
		00000	20-5896215				GAINSCO Statutory Trust II	CT	OTH	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	2
		00000	65-0125014				National Specialty Lines, Inc.	FL	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	
		00000	46-0609460				BSAG, Inc.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	
		00000	46-2390790				GAINSCO Auto Insurance Agency, Inc.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	
		00000	46-3555977				Stallings Auto Group, Inc.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	
		00000	30-0774542				BSAG Real Estate Holdings, Inc.	TX	NIA	BSAG, Inc.	Ownership	100.0	GAINSCO, INC.	
		00000	90-0955244				Bob Stallings Nissan of Baytown, Inc.	TX	NIA	BSAG, Inc.	Ownership	100.0	GAINSCO, INC.	
		00000	90-1019223				Bob Stallings Hyundai, Inc. dba Bob Stallings Hyundai	TX	NIA	Stallings Auto Group, Inc.	Ownership	100.0	GAINSCO, INC.	
		00000	46-4611226				Red Dragon Properties I, Inc.	TX	NIA	Stallings Auto Group, Inc.	Ownership	100.0	GAINSCO, INC.	
		00000	46-5207321				Gainsco Automotive Holdings, Corp.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	

PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence		(9,750)		
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability	74,197,065	42,638,505	57.5	58.9
19.3, 19.4 Commercial auto liability		(11,010)		
21. Auto physical damage	21,458,046	9,792,003	45.6	43.9
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	95,655,111	52,409,748	54.8	55.8

DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)				

PART 2 – DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence			
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability	36,670,429	77,317,722	79,439,921
19.3, 19.4 Commercial auto liability			
21. Auto physical damage	11,782,921	23,927,722	20,420,766
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	48,453,350	101,245,444	99,860,687

DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2014 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2011 + prior	8,857	1,296	10,153	7,341	46	7,387	5,531	45	3,898	9,474	4,015	2,693	6,708
2. 2012	7,424	3,788	11,212	5,478	83	5,561	5,152	95	4,644	9,891	3,206	1,034	4,240
3. Subtotals 2012 + prior	16,281	5,084	21,365	12,819	129	12,948	10,683	140	8,542	19,365	7,221	3,727	10,948
4. 2013	23,445	27,749	51,194	19,723	1,269	20,992	11,858	666	9,852	22,376	8,136	(15,962)	(7,826)
5. Subtotals 2013 + prior	39,726	32,833	72,559	32,542	1,398	33,940	22,541	806	18,394	41,741	15,357	(12,235)	3,122
6. 2014	X X X	X X X	X X X	X X X	29,706	29,706	X X X	18,678	15,379	34,057	X X X	X X X	X X X
7. Totals	39,726	32,833	72,559	32,542	31,104	63,646	22,541	19,484	33,773	75,798	15,357	(12,235)	3,122

8. Prior Year-End Surplus As Regards Policyholders

102,695

Col. 11, Line 7
As % of Col. 1,
Line 7

Col. 12, Line 7
As % of Col. 2,
Line 7

Col. 13, Line 7
As % of Col. 3,
Line 7

1. 38.657 2. -37.264 3. 4.303

Col. 13, Line 7
Line 8

4. 3.040

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

Bar Code:



40150201449000020



40150201445500020



40150201436500020



40150201450500020

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE**SCHEDULE B - VERIFICATION****Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE**SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	7,515,124	2,691,522
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	2,033,868	3,407,245
2.2 Additional investment made after acquisition	6,643,020	2,658,213
3. Capitalized deferred interest and other	(124,973)	139,200
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		9,254
7. Deduct amounts received on disposals	1,281,734	1,390,310
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	14,785,305	7,515,124
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	14,785,305	7,515,124

SCHEDULE D - VERIFICATION**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	155,875,515	154,094,036
2. Cost of bonds and stocks acquired	16,925,872	60,524,133
3. Accrual of discount	(4,667)	(30,482)
4. Unrealized valuation increase (decrease)	207,504	686,755
5. Total gain (loss) on disposals	58,969	596,661
6. Deduct consideration for bonds and stocks disposed of	15,376,795	57,386,224
7. Deduct amortization of premium	1,341,856	2,595,094
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	6,777	14,270
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	156,337,765	155,875,515
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	156,337,765	155,875,515

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	50,701,022	5,369,710	6,524,097	1,972,316	50,701,022	51,518,951		50,815,870
2. NAIC 2 (a)	116,117,830	11,546,661	10,513,754	(2,705,872)	116,117,830	114,444,865		118,736,463
3. NAIC 3 (a)	7,149,344			44,505	7,149,344	7,193,849		7,077,759
4. NAIC 4 (a)	965,338		21,522	23,411	965,338	967,227		970,845
5. NAIC 5 (a)	860,667		15,606	7,037	860,667	852,098		841,056
6. NAIC 6 (a)								
7. Total Bonds	175,794,201	16,916,371	17,074,979	(658,603)	175,794,201	174,976,990		178,441,993
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2	1,000,000				1,000,000	1,000,000		1,000,000
10. NAIC 3	469,200			13,600	469,200	482,800		434,800
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	1,469,200			13,600	1,469,200	1,482,800		1,434,800
15. Total Bonds & Preferred Stock	177,263,401	16,916,371	17,074,979	(645,003)	177,263,401	176,459,790		179,876,793

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$ 7,506,439; NAIC 2 \$ 12,616,110; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	20,122,549	X X X	20,366,092	191,687	41,936

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	24,001,802	23,908,063
2. Cost of short-term investments acquired	13,731,290	40,877,396
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		4,450
6. Deduct consideration received on disposals	17,281,908	40,180,180
7. Deduct amortization of premium	328,635	607,927
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	20,122,549	24,001,802
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	20,122,549	24,001,802

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		8,160,111
2. Cost of cash equivalents acquired		10,194,545
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		18,354,656
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

NONE **Schedule A - Part 2 and 3**

NONE **Schedule B - Part 2 and 3**

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Ident- ification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Desig- nation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership	
		3 City	4 State										
	Bounty Minerals II LLC	Fort Worth	TX	Bounty Minerals LLC		08/05/2013			1,750,000			0.759	
	CapitalSpring Direct Lending Partners	New York	NY	CSDLP General Partner, LLC		05/16/2013		84,320			1,477,667		
	Fitness Capital Partners LP	Palm Beach	FL	Fitness Capital Partner GP LLC		05/28/2014	3	2,033,868			2,880,897	0.950	
	Fortress Worldwide Transportation and Infrastruct	New York	NY	Fortress Worldwide Transportation and Infrastru		12/27/2012			2,094,574			0.949	
2199999	Other - Joint Venture, Partnership or Limited Liability Interests - Unaffiliated								2,033,868	3,928,894		4,358,564	X X X
4499999	Subtotal Unaffiliated								2,033,868	3,928,894		4,358,564	X X X
4699999	Totals								2,033,868	3,928,894		4,358,564	X X X

EO3

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Ident- ification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income	
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.							
	Fortress Worldwide Transportati	New York	NY	Return of capital	12/27/2012	04/29/2014	1,430,633							1,430,633	960,015					
2199999	Other - Joint Venture/Partnership Interests - Unaffiliated							1,430,633							1,430,633	960,015				
4499999	Total Unaffiliated							1,430,633							1,430,633	960,015				
4699999	Totals							1,430,633							1,430,633	960,015				

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
3134G5-6W-0	Federal Home Loan Mtg Corp		06/03/2014	Wells Fargo Bank		999,000	1,000,000.00		1
3199999	U.S. Total Bonds Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	999,000	1,000,000.00		X X X
021441-AE-0	Altera Corp		06/10/2014	Southwest Securities		1,014,170	1,000,000.00	1,944	1FE
032511-AX-5	Anadarko Pete Corp		06/11/2014	First Southwest Company		888,504	800,000.00	12,032	2FE
25179M-AS-2	Devon Energy Corp New		06/02/2014	First Southwest		1,006,960	1,000,000.00	5,533	2FE
482480-AA-8	KLA-Tencor Corp		05/08/2014	Southwest Securities		1,180,000	1,000,000.00	2,300	2FE
636180-BG-5	National Fuel Gas Co N J		06/11/2014	Wells Fargo Bank		1,152,800	1,000,000.00	11,014	2FE
87875U-AC-6	TECO Finance Inc		04/07/2014	First Southwest		1,065,120	1,000,000.00	29,813	2FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	6,307,554	5,800,000.00	62,636	X X X
020002-AV-3	Allstate Corp		06/03/2014	Southwest Securities		1,078,750	1,000,000.00	3,573	2FE
230000-AB-7	Cullen/Frost Cap TR II		05/01/2014	Southwest Securities		872,500	1,000,000.00	3,275	2FE
854502-AF-8	Stanley Black & Decker Inc		04/15/2014	Wells Fargo Bank		1,090,000	1,000,000.00	22,042	2FE
4899999	Total Bonds Hybrid Securities				X X X	3,041,250	3,000,000.00	28,890	X X X
8399997	Total Bonds Part 3				X X X	10,347,804	9,800,000.00	91,526	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	10,347,804	9,800,000.00	91,526	X X X
9999999	Totals				X X X	10,347,804	X X X	91,526	X X X

E04

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 F o r e i g n Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consid- eration	7 Par Value	8 Actual Cost	9 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V.	15 Total Foreign Exchange Change in B./A.C.V.							
3133XP-JJ-4	FHLB 00-1239	06/20/2014	PRINCIPAL RECEIPT		16,282	16,281.70	17,218	16,604		(322)		(322)		16,282			282	08/20/2015	1	
0599999	Total - Bonds - U.S. Governments			X X X	16,282	16,281.70	17,218	16,604		(322)		(322)		16,282			282	X X X	X X X	
31396Q-WZ-8	Fannie Mae-FNR 2009-63 LD	06/25/2014	PRINCIPAL RECEIPT		34,799	34,799.27	36,311	35,362		(563)		(563)		34,799			564	02/25/2039	1	
31398P-4W-6	Fannie Mae-FNR 2010-49 PA	06/25/2014	PRINCIPAL RECEIPT		7,141	7,141.21	7,382	7,274		(133)		(133)		7,141			116	11/25/2035	1	
3137AE-LS-2	FHLMC Series 3910	06/16/2014	PRINCIPAL RECEIPT		61,730	61,730.14	62,463	62,393		(663)		(663)		61,730			416	12/15/2037	1	
31339M-SK-5	FHR 2399 PG	06/16/2014	PRINCIPAL RECEIPT		24,054	24,054.20	25,858	24,966		(912)		(912)		24,054			510	01/15/2017	1	
31396Y-SC-7	FNR 2008-17 UF	06/25/2014	PRINCIPAL RECEIPT		15,442	15,442.36	15,433	15,430		12		12		15,442			47	03/25/2038	1	
31395V-4L-0	Freddie Mac-FHR 2990 TD	06/16/2014	PRINCIPAL RECEIPT		54,352	54,351.82	56,628	56,218		(1,866)		(1,866)		54,352			838	05/15/2035	1	
31397G-HH-6	Freddie Mac-FHR 3313 GP	06/16/2014	PRINCIPAL RECEIPT		7,560	7,559.70	7,928	7,954		(394)		(394)		7,560			131	04/15/2037	1	
3137A9-PB-6	Freddie Mac-FHR 3842 BY	06/16/2014	PRINCIPAL RECEIPT		19,947	19,946.85	20,978	20,598		(651)		(651)		19,947			269	08/15/2024	1	
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obl			X X X	225,025	225,025.55	232,981	230,195		(5,170)		(5,170)		225,025			2,891	X X X	X X X	
032511-BE-6	Anadarko Petroleum Corp	06/16/2014	MATURITY		1,000,000	1,000,000.00	1,080,700	1,018,400		(18,400)		(18,400)		1,000,000			28,750	06/15/2014	2FE	
040555-CG-7	Arizona Public Service	06/30/2014	MATURITY		1,000,000	1,000,000.00	1,073,410	1,025,493		(25,493)		(25,493)		1,000,000			29,000	06/30/2014	1FE	
05523U-AG-5	BAE Systems Holdings Inc	06/02/2014	MATURITY		1,000,000	1,000,000.00	1,086,040	1,012,057		(12,057)		(12,057)		1,000,000			24,750	06/01/2014	2FE	
205887-BE-1	Conagra Foods Inc	04/15/2014	MATURITY		1,000,000	1,000,000.00	1,082,720	1,013,432		(13,432)		(13,432)		1,000,000			29,375	04/15/2014	2FE	
12668X-AC-9	Countrywide Series 2006-S8	06/25/2014	PRINCIPAL RECEIPT		15,606	15,605.83	15,172	14,196	1,158	252		1,410		15,606			322	04/25/2036	5FM	
418056-AR-8	Hasbro Inc.	05/15/2014	MATURITY		500,000	500,000.00	555,405	507,283		(7,283)		(7,283)		500,000			15,313	05/15/2014	2FE	
631103-AC-2	NASDAQ OMX Group	06/18/2014	CALLED @ 102.078039		1,020,780	1,000,000.00	1,041,920	1,024,751		(10,998)		(10,998)		1,013,754	7,027	7,027	37,000	01/15/2015	2FE	
74922S-AA-6	RALI 2006-QS-17	06/25/2014	PRINCIPAL RECEIPT		19,880	34,333.58	27,743	21,452	6,289	(7,860)		(1,571)		19,881			63	12/25/2036	1FM	
75114T-AC-5	RALI 2006-QS5	06/25/2014	PRINCIPAL RECEIPT		24,040	29,098.10	25,422	23,310	2,203	(1,388)	85	730		24,040			580	05/25/2036	1FM	
75115D-AF-2	RALI Ser 2006-QS13	06/25/2014	PRINCIPAL RECEIPT		21,522	26,579.96	23,031	19,805	3,324	(1,517)	89	1,718		21,522			612	09/25/2036	4FM	
96332H-CB-3	Whirlpool Corp.	05/01/2014	MATURITY		1,000,000	1,000,000.00	1,191,550	1,017,877		(17,877)		(17,877)		1,000,000			43,000	05/01/2014	2FE	
982526-AM-7	Wrigley Wm Jr Co	06/30/2014	MATURITY		1,000,000	1,000,000.00	1,036,945	1,009,094		(9,094)		(9,094)		1,000,000			18,500	06/30/2014	2FE	
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)			X X X	7,601,828	7,605,617.47	8,240,058	7,707,150	12,974	(125,147)	174	(112,347)		7,594,803		7,027	7,027	227,265	X X X	X X X
8399997	Total - Bonds - Part 4			X X X	7,843,135	7,846,924.72	8,490,257	7,953,949	12,974	(130,639)	174	(117,839)		7,836,110		7,027	7,027	230,438	X X X	X X X
8399998	Summary Item from Part 5 for Bonds			X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds			X X X	7,843,135	7,846,924.72	8,490,257	7,953,949	12,974	(130,639)	174	(117,839)		7,836,110		7,027	7,027	230,438	X X X	X X X
9999999	Totals				7,843,135	X X X	8,490,257	7,953,949	12,974	(130,639)	174	(117,839)		7,836,110		7,027	7,027	230,438	X X X	X X X

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

- NONE Schedule DB - Part A - Section 1**
- NONE Schedule DB - Part B - Section 1**
- NONE Schedule DB - Part D - Section 1**
- NONE Schedule DB - Part D - Section 2**
- NONE Schedule DL - Part 1**
- NONE Schedule DL - Part 2**

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

Table with 9 columns: 1. Depository, 2. Code, 3. Rate of Interest, 4. Amount of Interest Received During Current Quarter, 5. Amount of Interest Accrued at Current Statement Date, 6. First Month, 7. Second Month, 8. Third Month, 9. * (Total/Status). Rows include 'Open Depositories' (Frost Bank, Northern Trust, Wells Fargo), 'Suspended Depositories', and 'Cash on Deposit'.

NONE Schedule E - Part 2