

**TRANSMITTAL OF FINANCIAL REPORTS AND  
CERTIFICATION OF COMPLIANCE WITH  
UNITED STATES TRUSTEE OPERATING REQUIREMENTS FOR  
THE PERIOD ENDED: 2/28/10**

IN RE:

CASE NO.: 09-21323  
Chapter 11  
Judge: Morgenstern-Clarren

AmTrust Financial Corporation nka  
AmFin Financial Corporation  
Debtor

As debtor in possession, I affirm:

1. That I have reviewed the financial statements attached hereto, consisting of:

<u>  x  </u>	Operating Statement [1]	(Form 2)
<u>  x  </u>	Balance Sheet [1]	(Form 3)
<u>  x  </u>	Summary of Operations [1]	(Form 4)
<u>  x  </u>	Monthly Cash Statement	(Form 5)
<u>  x  </u>	Statement of Compensation	(Form 6)
<u>  x  </u>	Schedule of In-Force Insurance	(Form 7)

and that they have been prepared in accordance with normal and customary accounting practices, and fairly and accurately reflect the debtor's financial activity for the period stated;

2. That the insurance, including workers' compensation and unemployment insurance, as described in Section 4 of the Reporting Requirements For Chapter 11 Cases is in effect; and, (If not, attach a written explanation) YES   x   NO       

3. That all postpetition taxes as described in Sections 1 and 14 of the Operating Instructions and Reporting Requirements For Chapter 11 cases are current. (If not, attach a written explanation) YES   x   NO       

4. No professional fees (attorney, accountant, etc.) have been paid without specific court authorization. (If not, attach a written explanation) YES   x   NO       

5. All United States Trustee Quarterly fees have been paid and are current. YES   x   NO       

6. Have you filed your prepetition tax returns. (If not, attach a written explanation) [2] YES        NO   x  

I hereby certify, under penalty of perjury, that the information provided above and in the attached documents is true and correct.

[1] - The Debtor has made substantial efforts to prepare and complete the information in this Monthly Operating Report (the "Report"). However, given the nature of the Debtor's accounting system, it is somewhat difficult to verify the accuracy of the information contained in the Report. Therefore, the Debtor can give no assurance as to the accuracy of the information provided in the Report.

[2] - The Debtor has filed a an extension in regards to 2009 tax returns

Dated: 4/22/10

[Signature]  
Responsible Officer of the Debtor in Possession

CFO  
Title

216-896-9408  
Phone

**OPERATING STATEMENT (P&L)**  
 Period Ending: 2/28/10

Case No: 09-21323

	<u>Current Month</u>	<u>Total Since Filing</u>
Revenue	\$ -	\$ -
Cost of Sales	-	-
<b>Total Net Interest</b>	<u>-</u>	<u>-</u>
<b>EXPENSES:</b>		
Salary Expenses	37,500	110,908
Employee Benefits & Pensions	2,587	16,403
Payroll Taxes	2,879	9,092
Advertising Expenses	-	-
Regulatory Insurance and Assessments	-	14,310
Professional Fees	223,489	1,366,707
State and Local Taxes	83	250
Non-interest Expenses	-	-
Outside Services	810	1,561
<b>TOTAL EXPENSES:</b>	<u>267,347</u>	<u>1,519,231</u>
<b>NET OPERATING PROFIT/(LOSS)</b>	<b>(267,347)</b>	<b>(1,519,231)</b>
Add: Non-Operating Income:		
Interest Income	-	-
Other Income	-	-
Less: Non-Operating Expenses:		
Professional Fees	-	-
Loss Due to FDIC Seizure of Bank	26,581	294,955,941
Interest Expense	-	2,135
Equity in Affiliates	(848,038)	7,997,206
US Trustee Fees	-	-
<b>NET INCOME/(LOSS)</b>	<u>\$ 554,110</u>	<u>\$ (304,474,513)</u>

Dated: 4/22/10

  
 \_\_\_\_\_  
 Responsible Officer of the Debtor in Possession

**BALANCE SHEET**  
Period Ending: 2/28/10

Case No: 09-21323

	<u>Current Month</u>	<u>Prior Month</u>	<u>11/30/2009 At Filing</u>
<b>ASSETS:</b>			
Cash	\$ 3,029,516	\$ 3,709,905	\$ 3,709,905
Securities	1,668,239	1,668,239	1,668,239
Interest Receivables	1,795,548	1,797,179	1,797,179
Owned Subsidiaries	159,798,912	462,671,383	462,671,383
Pre-paid Expenses	1,654,985	2,560,040	2,560,040
Pre-paid Debt Issuance Cost	745,548	744,678	744,678
Office Properties and Equipment	-	-	-
<b>TOTAL ASSETS:</b>	<b>168,692,748</b>	<b>473,151,425</b>	<b>473,151,425</b>
<b>LIABILITIES:</b>			
Postpetition Liabilities	-	-	-
Accounts Payable	-	-	-
Rent and Lease Payable	-	-	-
Wages and Salaries	-	-	-
Payable to Affiliate	-	-	-
Other:	-	-	-
<b>TOTAL Postpetition Liab.</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Secured Liabilities:</b>			
Subject to Postpetition	-	-	-
Collateral or Financing Order	-	-	-
All Other Secured Liab.	-	-	-
<b>TOTAL Secured Liab.</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prepetition Liabilities:</b>			
Senior Notes	97,647,470	97,647,470	97,647,470
Junior Subordinated Debentures	51,547,000	51,547,000	51,547,000
Accrued Interest Payable	7,674,426	7,674,426	7,674,426
Accrued Expenses and other Liabilities	15,836	-	-
Payable to Affiliate	-	-	-
<b>TOTAL Prepetition Liab.</b>	<b>156,884,732</b>	<b>156,868,896</b>	<b>156,868,896</b>
<b>Equity:</b>			
Capital Stock	1,036,225	1,036,225	1,036,225
Treasury Stock	(80,278,210)	(80,278,210)	(80,278,210)
Retained Earnings-Pre Pet.	395,524,513	395,524,513	395,524,513
Retained Earnings-Post Pet.	(304,474,513)	-	-
<b>TOTAL Equity:</b>	<b>11,808,016</b>	<b>316,282,529</b>	<b>316,282,529</b>
<b>TOTAL LIABILITIES AND EQUITY:</b>	<b>168,692,748</b>	<b>473,151,425</b>	<b>473,151,425</b>

Dated: 4/22/10

  
Responsible Officer of the Debtor in Possession

FORM 3 - Feb

**SUMMARY OF OPERATIONS**

Period Ended: 2/28/10

Case No: 09-21323

Schedule of Postpetition Taxes Payable

	<u>Beginning Balance</u>	<u>Accrued/ Withheld</u>	<u>Payments/ Deposits</u>	<u>Ending Balance</u>
<b>Income Taxes Withheld:</b>				
Federal	\$ -	\$ 34,218	\$ 34,218	\$ -
State	-	6,570	6,570	-
Local	-	1,664	1,664	-
 FICA Withheld	-	8,484	8,484	-
 Employers FICA	-	8,484	8,484	-
 <b>Unemployment Tax:</b>				
Federal	-	112	112	-
State	-	486	486	-
 Sales, Use & Excise Taxes	-	-	-	-
 Property Taxes	-	-	-	-
 Workers' Compensation	-	-	-	-
 Other	-	-	-	-
 <b>TOTALS:</b>	<u>\$ -</u>	<u>\$ 60,018.96</u>	<u>\$ 60,018.96</u>	<u>\$ -</u>

**AGING OF ACCOUNTS RECEIVABLE  
AND POSTPETITION ACCOUNTS PAYABLE**

Age in Days	0-30	30-60	Over 60
Post Petition Accounts Payable	NONE	-	-
Accounts Receivable	NONE	-	-

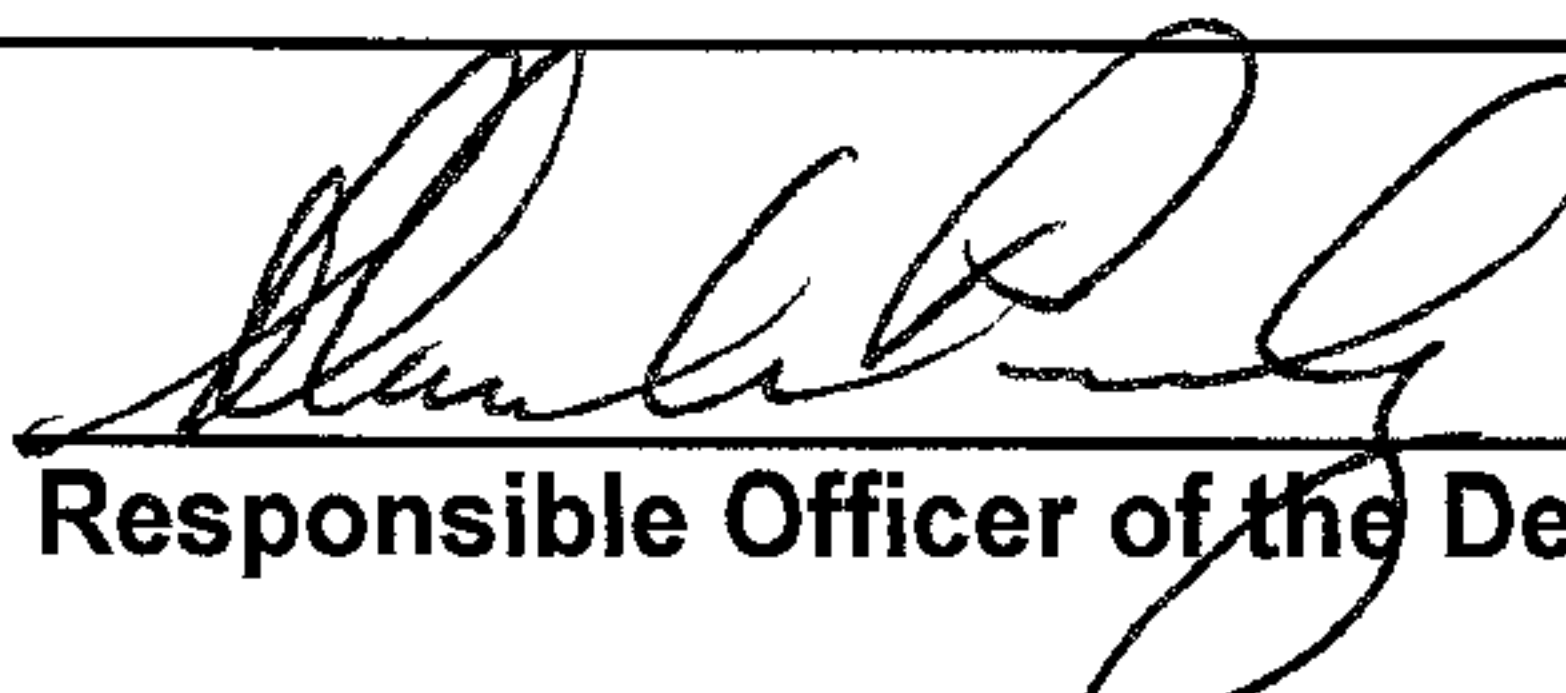
For all postpetition accounts payable over 30 days old, please attached a sheet listing each such account, to whom the account is owed, the date the account was opened, and the reason for non-payment of the account.

Describe events or factors occurring during this reporting period materially affecting operations and formulation of a Plan of Reorganization:

\_\_\_\_\_

\_\_\_\_\_

Dated: 4/22/10

  
\_\_\_\_\_  
Responsible Officer of the Debtor in Possession

MONTHLY CASH STATEMENT

Period Ending: 2/28/10

Cash Activity Analysis (Cash Basis Only):

Case No: 09-21323

	<u>Operating</u> <u>Acct.</u>	<u>Payroll</u> <u>Acct.</u>	<u>Tax</u> <u>Acct.</u>	<u>Cash Coll.</u> <u>Acct.</u>	<u>Petty Cash</u> <u>Acct.</u>
A. Beginning Balance	\$ 3,670,016				
B. Receipts (Attach separate schedule)	-				
C. Balance Available (A + B)	3,670,016				
D. Less Disbursements (Attach separate schedule)	627,249				
E. ENDING BALANCE (C - D)	3,042,767				

(PLEASE ATTACH COPIES OF MOST RECENT RECONCILED BANK STATEMENTS FROM EACH ACCOUNT)

Operating Account:

1. Depository Name & Location
2. Account Number

National City Bank - Cleveland OH  
140582583

Date:

4/22/10 

Responsible Officer of the Debtor in Possession

**MONTHLY STATEMENT OF INSIDER COMPENSATION/PAYMENTS**

Period Ending: 2/28/10

Case No: 09-21323

The following information is to be provided for each shareholder, officer, director, manager, insider, or owner that is employed by the debtor in possession.

Attach additional pages if necessary.

Name: Peter Goldberg

Capacity:	<u>                    </u>	Shareholder
	<u>                    </u>	Officer
	<u>                    </u>	Director
	<u>                    </u>	Insider

Detailed Description of Duties: Vice President


Current Compensation Paid:	<u>                    </u>	Weekly	or	<u>                    </u>	Monthly
	<u>                    </u>			\$ 58,408	

Current Benefits Paid:	<u>                    </u>	Weekly	or	<u>                    </u>	Monthly
Health Insurance	<u>                    </u>				
Life Insurance	<u>                    </u>				
Retirement	<u>                    </u>				
Company Vehicle	<u>                    </u>				
Entertainment	<u>                    </u>				
Travel	<u>                    </u>				
Other Benefits	<u>                    </u>				
Total Benefits	<u>                    </u>				

Current Other Payments Paid:	<u>                    </u>	Weekly	or	<u>                    </u>	Monthly
Rent Paid	<u>                    </u>				
Loans	<u>                    </u>				
Other (Describe)	<u>                    </u>				
Other (Describe)	<u>                    </u>				
Other (Describe)	<u>                    </u>				
Total Other Payments	<u>                    </u>				

CURRENT TOTAL OF ALL PAYMENTS:	<u>                    </u>	Weekly	or	<u>                    </u>	Monthly
	<u>                    </u>			\$ 58,408	

Dated: 4/22/10

  
 Responsible Officer of the Debtor in Possession

**MONTHLY STATEMENT OF INSIDER COMPENSATION/PAYMENTS**

Period Ending: 2/28/10

Case No: 09-21323

The following information is to be provided for each shareholder, officer, director, manager, insider, or owner that is employed by the debtor in possession.  
Attach additional pages if necessary.

Name: Robert Goldberg

Capacity:	<u>          </u>	Shareholder
	<u>  X  </u>	Officer
	<u>  X  </u>	Director
	<u>  X  </u>	Insider

Detailed Description of Duties: CEO/President


Current Compensation Paid:	<u>          </u>	Weekly	or	<u>          </u>	Monthly
	<u>          </u>			\$	<u>52,500</u>

Current Benefits Paid:	<u>          </u>	Weekly	or	<u>          </u>	Monthly
Health Insurance	<u>          </u>			<u>          </u>	
Life Insurance	<u>          </u>			<u>          </u>	
Retirement	<u>          </u>			<u>          </u>	
Company Vehicle	<u>          </u>			<u>          </u>	
Entertainment	<u>          </u>			<u>          </u>	
Travel	<u>          </u>			<u>          </u>	
Other Benefits	<u>          </u>			<u>          </u>	
Total Benefits	<u>          </u>			<u>          </u>	

Current Other Payments Paid:	<u>          </u>	Weekly	or	<u>          </u>	Monthly
Rent Paid	<u>          </u>			<u>          </u>	
Loans	<u>          </u>			<u>          </u>	
Other (Describe)	<u>          </u>			<u>          </u>	
Other (Describe)	<u>          </u>			<u>          </u>	
Other (Describe)	<u>          </u>			<u>          </u>	
Total Other Payments	<u>          </u>			<u>          </u>	

CURRENT TOTAL OF ALL PAYMENTS:	<u>          </u>	Weekly	or	<u>          </u>	Monthly
				\$	<u>52,500</u>

Dated: 4/22/10

  
Responsible Officer of the Debtor in Possession





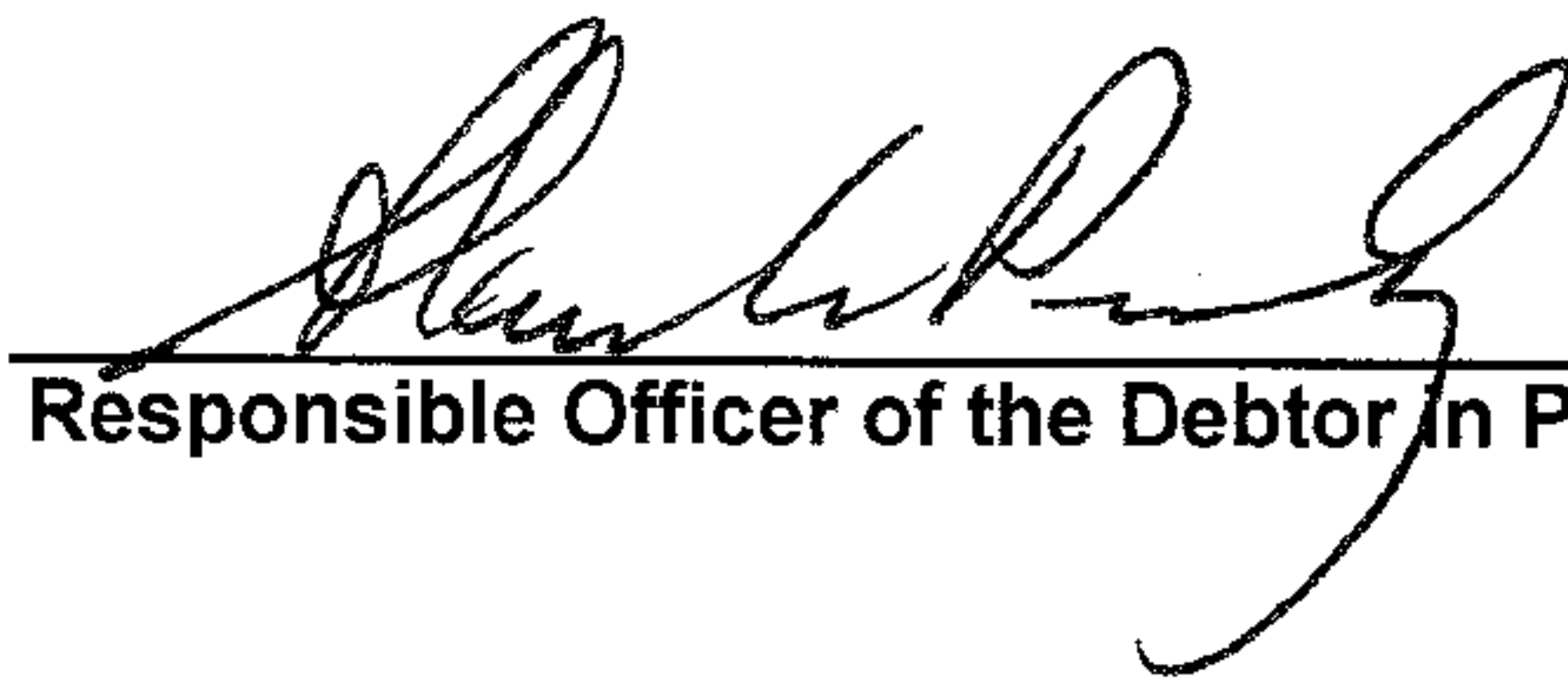
# SCHEDULE OF IN-FORCE INSURANCE

Period Ending: 2/28/10

Case No: 09-21331

<u>INSURANCE TYPE</u>	<u>CARRIER</u>	<u>EXPIRATION DATE</u>
<u>Business Auto</u>	<u>Hartford</u>	<u>04/01/10</u>
<u>Workers Comp (Outside Ohio)</u>	<u>Travelers</u>	<u>04/01/10</u>
<u>Commercial Property &amp; Liability (except FI property)</u>	<u>Chubb Ins. Group</u>	<u>04/01/10</u>
<u>Commercial Property Florida</u>	<u>Chubb Ins. Group</u>	<u>04/01/10</u>
<u>Umbrella</u>	<u>Chubb Ins. Group</u>	<u>04/01/10</u>
<u>Excess Umbrella</u>	<u>St. Paul</u>	<u>04/01/10</u>
<u>Company Liability Policy</u>	<u>Lloyds of London</u>	<u>04/01/10</u>
<u>Employment Practices</u>	<u>Crum &amp; Forster</u>	<u>06/20/10</u>
<u>Kidnap /Ransom and Extortion</u>	<u>Chubb Ins. Group</u>	<u>06/20/10</u>
<u>Workers Comp</u>	<u>Ohio Bureau of Workers' Comp</u>	<u>Ongoing</u>

Dated: 4/22/10

  
\_\_\_\_\_  
Responsible Officer of the Debtor in Possession

AFC (OSFC)  
 102124 Cash in Bank, NCB Checking  
 RECONCILEMENT FOR THE MONTH ENDING 2/28/10

GL Type:	CONTROL ACCT
G/L Description	Control Account for Checking Account, OSB
Entry Source:	JV's, Wire Deposits, Check Deposits, BTE's
Aging Benchmark	30 days

A/C 140582583

O/S CHECK LIST

		Date	CK #	AMOUNT
02/28/10 ENDING BANK BAL	3,042,766.76			
LESS: O/S CHECKS	(2,312.30)	09/03/09	100001	2,285.89
LESS: O/S PAYCHEX FEB 15-26 P.Roll	(10,737.92)	02/25/10	110021	26.41
DUPL JV Paychex Fee	(200.96)			
02/28/10 ENDING BOOK BAL	<u>3,029,515.58</u>		<u>TOTAL</u>	<u>2,312.30</u>

**Schedule of Cash Receipts and Cash Disbursements**

Case No: 09-21323

Operating Account:

1. Depository Name & Location National City Bank - Cleveland OH  
 2. Account Number 140582583

February '10			
<b>Cash Disbursements:</b>			
<u>Date Cleared</u>	<u>Check #</u>	<u>Payee - Description</u>	<u>Amount</u>
2/23/2010	5003	Payroll - Peter Goldberg	963
2/22/2010	5004	Payroll - Bobby Goldberg	9,775
2/16/2010	100008	KCC - Claims admin services	34,137
2/16/2010	100009	Wilmington Trust - Trust fees	6,901
2/2/2010	100011	Ohio Dept of Taxation - Franchise taxes	334
2/2/2010	100013	Office Max - Office supplies	86
2/12/2010	100014	Bur of Workers Compensation	10
2/17/2010	100015	Office Max - Office supplies	68
2/16/2010	100016	Al Presby - Consulting fees	70,000
2/16/2010	100017	Jeff Goldberg - Consulting fees	10,000
2/16/2010	100018	Target - Office supplies	96
2/26/2010	100019	Office Max - Office supplies	97
2/26/2010	100020	Post Office - Postage	44
2/10/2010	Wire	Squire Sanders & Dempsey - Legal fees	395,616
2/11/2010	Wire	Payroll - Peter and Bobby Goldberg	79,621
2/16/2010	Wire	Paychex - Payroll Taxes	19,300
2/22/2010	DBT	NCB - Analysis charges	202
			627,249



**National City Bank**  
 PO BOX 5756  
 CLEVELAND OH 44101-0756

1176

**Statement Period:** Jan. 30, 2010 - Feb. 26, 2010  
**Account Number:** 140582583

**Contact Us**

**Phone:** 1-800-738-3888  
**TDD for the Hearing Impaired:** 1-800-290-0211  
**Customer Service Hours:**  
 Mon. - Fri.: 7 a.m. - 10 p.m. ET  
 Sat. - Sun.: 8 a.m. - 5 p.m. ET  
**Web:** NationalCity.com

AMTRUST FINANCIAL CORPORATION  
 25700 SCIENCE PARK DR STE 365  
 BEACHWOOD OH 44122-7312



**Premium Commercial Checking**

**Account Summary for 140582583**

<b>Beginning Balance as of Jan. 30, 2010</b>		<b>\$3,670,016.19</b>
Deposits	0 items	+ 0.00
Miscellaneous Credits	0 items	+ 0.00
Checks	13 items	- 132,510.22
Converted Checks	0 items	- 0.00
ACH Transfers	5 items	- 19,299.70
Wire Transfers	2 items	- 475,237.54
Other Debits and Transfers	1 item	- 201.97
<b>Ending Balance as of Feb. 26, 2010</b>		<b>\$3,042,766.76</b>



**Checks and Converted Checks**

**Checks**

Check No.	Amount	Date	Check No.	Amount	Date
5003	\$963.15	02/23	110015	67.90	02/17
5004	9,774.77	02/22	110016	70,000.00	02/16
100008*	34,136.80	02/16	110017	10,000.00	02/16
100009	6,901.08	02/16	110018	95.70	02/16
110011*	334.00	02/02	110019	96.94	02/26
110013*	85.88	02/02	110020	44.00	02/26
110014	10.00	02/12			

**Total: 13 items for \$132,510.22**

\*Indicates a gap in check sequence

Statement Period: Jan. 30, 2010 - Feb. 26, 2010

Account Number: 140582583

## ACH ACH Transfers

Date	Description	Amount
02/12	Paychex Eib Invoice X34165300005073 100212	\$200.96
02/16	Paychex TPS Taxes 34192600002898X 021210	9,446.46
02/16	Paychex Eib Invoice X34198500001895 100216	102.91
02/26	Paychex TPS Taxes 34332200006114X 022410	9,446.46
02/26	Paychex Eib Invoice X34347100026654 100226	102.91
<b>Total: 5 items for \$19,299.70</b>		

## WIRES Wire Transfers

Date	Description	Amount
02/10	Wire Transfer Debit	\$395,616.33
02/11	Wire Transfer Debit	79,621.21
<b>Total: 2 items for \$475,237.54</b>		

## OTHER

### Other Debits and Transfers

Date	Description	Amount
02/22	Analysis Charges Billing	\$201.97
<b>Total: 1 item for \$201.97</b>		

#### IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

Call the Telephone Banking Center at the number listed on the front of this statement or write us at: National City Card Services, Attn: Chargeback Department K-A12-F6, P.O. Box 2859, Kalamazoo, MI 49003-2859.

If you need more information about an electronic transfer or if you think an electronic transfer listed on your statement or receipt is wrong, notify us as soon as possible. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared. (1) Tell us your name and account number. (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information. (3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this (20 business days for claims made within 30 days after the first deposit to a new account), we will recredit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation.



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**Thank you for banking with National City!**