

**TRANSMITTAL OF FINANCIAL REPORTS AND  
CERTIFICATION OF COMPLIANCE WITH  
UNITED STATES TRUSTEE OPERATING REQUIREMENTS FOR  
THE PERIOD ENDED: 3/31/10**

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       

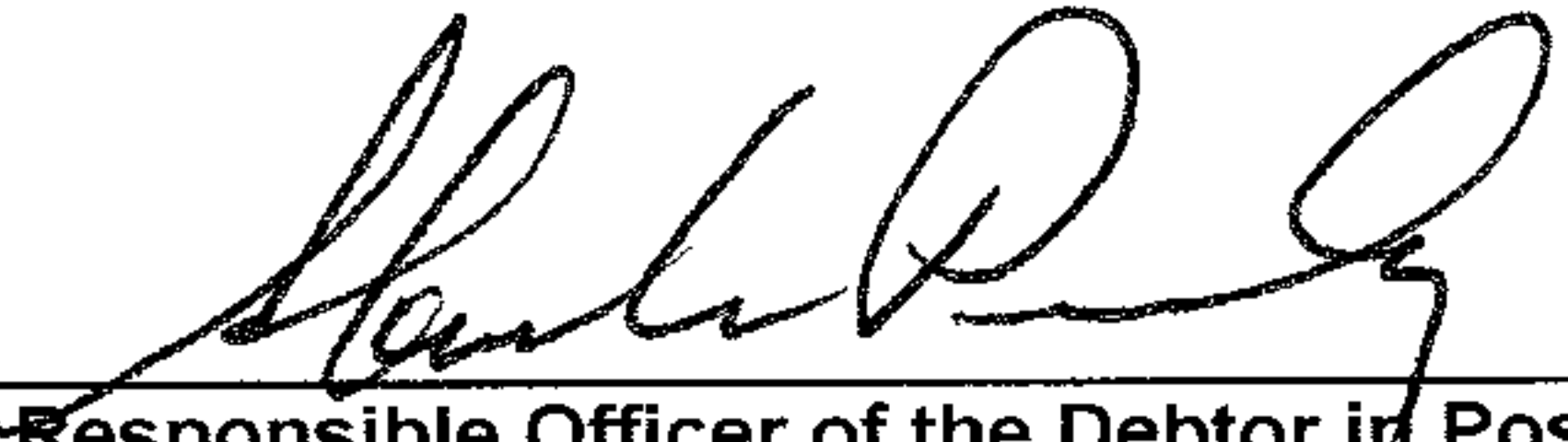
6. Have you filed your prepetition tax returns. (If not, attach a written explanation) [2] YES        NO   X  

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

  
Responsible Officer of the Debtor in Possession  
CFO  
Title  
214-896-9818  
Phone



**OPERATING STATEMENT (P&L)**  
**Period Ending: 3/31/10**

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	148,408
Employee Benefits & Pensions	29,602	46,006
Payroll Taxes	3,427	12,520
Advertising Expenses	-	-
Regulatory Insurance and Assessments	-	14,310
Professional Fees	120,263	1,486,970
State and Local Taxes	83	333
Non-interest Expenses	-	-
Outside Services	220	1,781
<b>TOTAL EXPENSES:</b>	<u>191,095</u>	<u>1,710,326</u>
<b>NET OPERATING PROFIT/(LOSS)</b>	<b>(191,095)</b>	<b>(1,710,326)</b>
Add: Non-Operating Income:		
Interest Income	-	-
Other Income	-	-
Less: Non-Operating Expenses:		
Professional Fees	-	-
Loss Due to FDIC Seizure of Bank	26,968	294,982,909
Interest Expense	-	2,135
Equity in Affiliates	3,089,046	11,086,251
US Trustee Fees	-	-
	<u>\$ (3,307,109)</u>	<u>\$ (307,781,622)</u>
<b>NET INCOME/(LOSS)</b>		

Dated: 4/22/10

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

**BALANCE SHEET**  
Period Ending: 3/31/10

Case No: 09-21323

11/30/2009

	<u>Current Month</u>	<u>Prior Month</u>	<u>At Filing</u>
<b>ASSETS:</b>			
Cash	\$ 2,402,435	\$ 3,709,905	\$ 3,709,905
Securities	1,668,239	1,668,239	1,668,239
Interest Receivable	1,795,548	1,797,179	1,797,179
Other Receivables	80,161	-	-
Owned Subsidiaries	156,711,310	462,671,383	462,671,383
Pre-paid Expenses	1,982,397	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>165,385,639</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>Secured Liabilities:</b>			
Subject to Postpetition	-	-	-
Collateral or Financing Order	-	-	-
All Other Secured Liab.	-	-	-
<b>TOTAL Secured Liab.</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.	(307,781,622)	-	-
<b>TOTAL Equity:</b>	<b>8,500,907</b>	<b>316,282,529</b>	<b>316,282,529</b>
<b>TOTAL LIABILITIES AND EQUITY:</b>	<b>165,385,639</b>	<b>473,151,425</b>	<b>473,151,425</b>

Dated: 4/22

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

FORM 3 - Mar

**SUMMARY OF OPERATIONS**

Period Ended: 3/31/10

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	\$ -		\$ 10,502		\$ 10,502		\$ -
State	-		2,091		2,091		-
Local	-		563		563		-
<b>FICA Withheld</b>	-		2,869		2,869		-
<b>Employers FICA</b>	-		2,869		2,869		-
<b>Unemployment Tax:</b>							
Federal	-		-		-		-
State	-		-		-		-
<b>Sales, Use &amp; Excise Taxes</b>	-		-		-		-
<b>Property Taxes</b>	-		-		-		-
<b>Workers' Compensation</b>	-		-		-		-
<b>Other</b>	-		-		-		-
<b>TOTALS:</b>	<u>\$ -</u>		<u>\$ 18,892.92</u>		<u>\$ 18,892.92</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	-	-

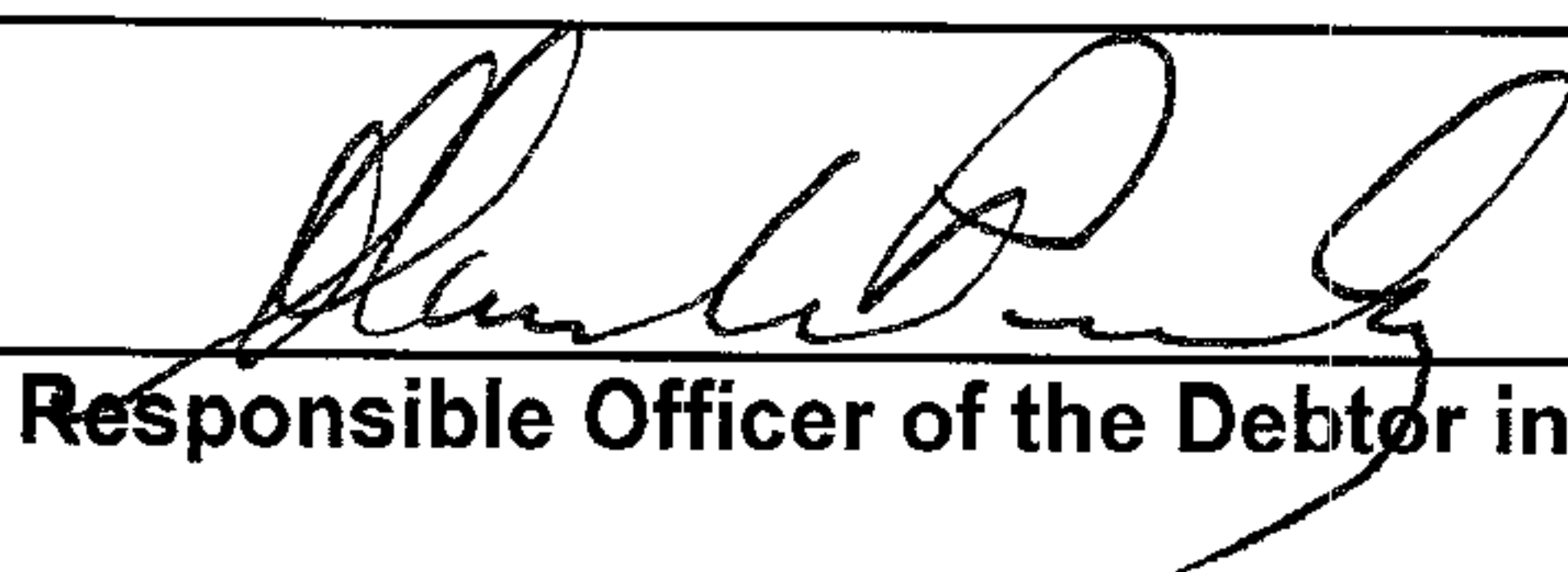
For all postpetition accounts payable over 30 days old, please attached a sheet listing each such account, to whom the account is owed, the date the account was opened, and the reason for non-payment of the account.

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: 3/31/10

Cash Activity Analysis (Cash Basis Only):

Case No: 09-21323

	<u>Operating Acct.</u>	<u>Payroll Acct.</u>	<u>Tax Acct.</u>	<u>Cash Coll. Acct.</u>	<u>Petty Cash Acct.</u>
A. Beginning Balance	<u>\$ 3,042,767</u>				
B. Receipts (Attach separate schedule)	26,615				
C. Balance Available (A + B)	<u>3,069,382</u>				
D. Less Disbursements (Attach separate schedule)	651,610				
E. ENDING BALANCE (C - D)	<u>2,417,771</u>				

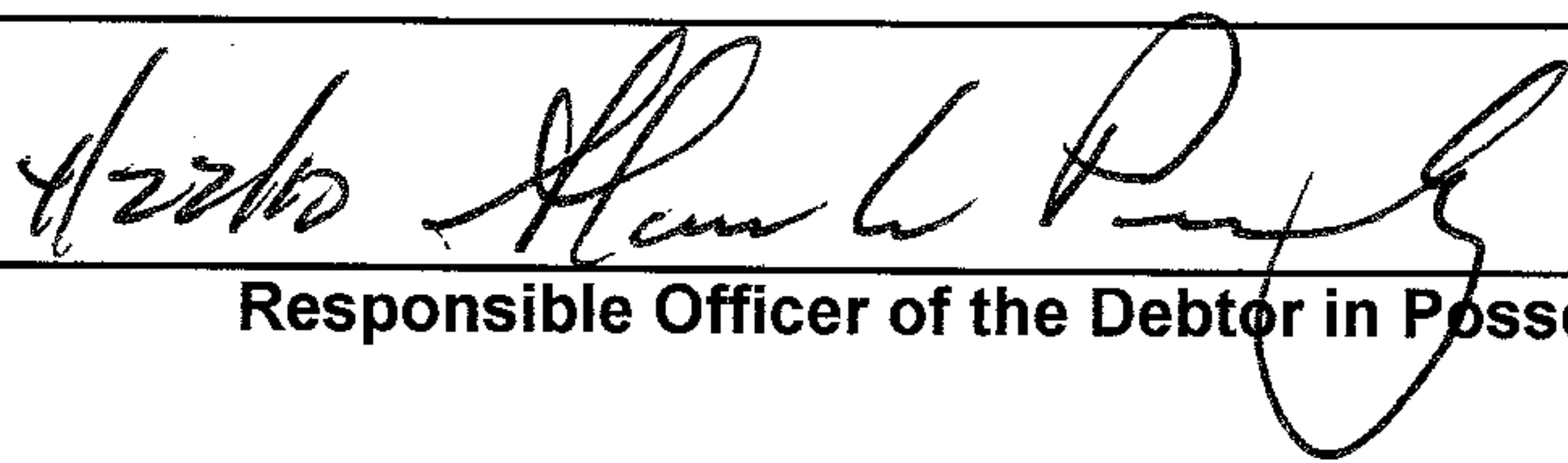
(PLEASE ATTACH COPIES OF MOST RECENT RECONCILED BANK STATEMENTS FROM EACH ACCOUNT)

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: 3/31/10

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:  Shareholder  
 Officer  
 Director  
 Insider

Detailed Description of Duties: CEO/ President

Current Compensation Paid: 

Weekly	or	Monthly
_____		<u>\$ 35,000</u>

Current Benefits Paid: 

Weekly	or	Monthly
_____		_____

- Health Insurance \_\_\_\_\_
- Life Insurance \_\_\_\_\_
- Retirement \_\_\_\_\_
- Company Vehicle \_\_\_\_\_
- Entertainment \_\_\_\_\_
- Travel \_\_\_\_\_
- Other Benefits \_\_\_\_\_
- Total Benefits \_\_\_\_\_

Current Other Payments Paid: 

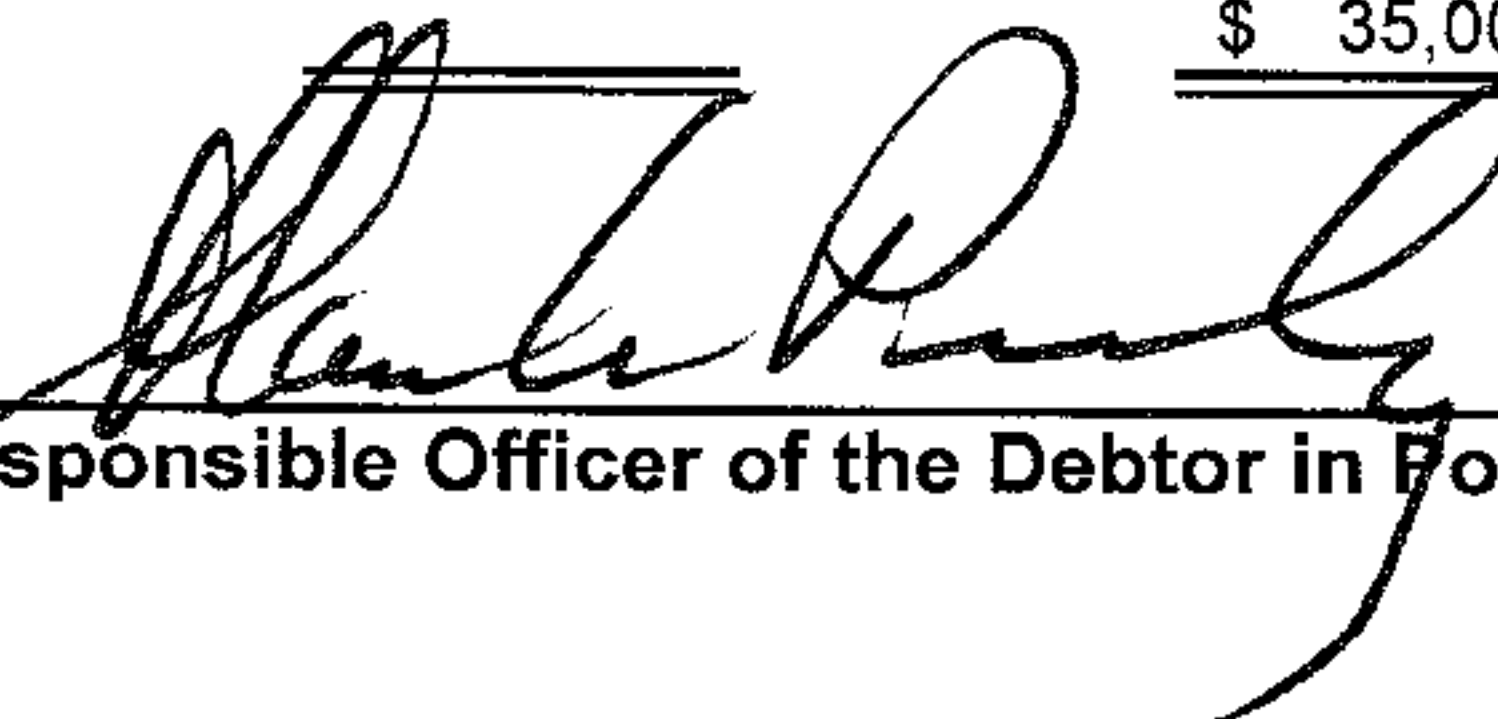
Weekly	or	Monthly
_____		_____

- Rent Paid \_\_\_\_\_
- Loans \_\_\_\_\_
- Other (Describe) \_\_\_\_\_
- Other (Describe) \_\_\_\_\_
- Other (Describe) \_\_\_\_\_
- Total Other Payments \_\_\_\_\_

CURRENT TOTAL OF ALL PAYMENTS: 

Weekly	or	Monthly
_____		<u>\$ 35,000</u>

Dated: 4/22/10

  
Responsible Officer of the Debtor in Possession

**MONTHLY STATEMENT OF INSIDER COMPENSATION/PAYMENTS**

Period Ending: 3/31/10

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: Alan Presby Capacity:  Shareholder  
 Officer  
 Director  
 Insider

Detailed Description of Duties: CFO

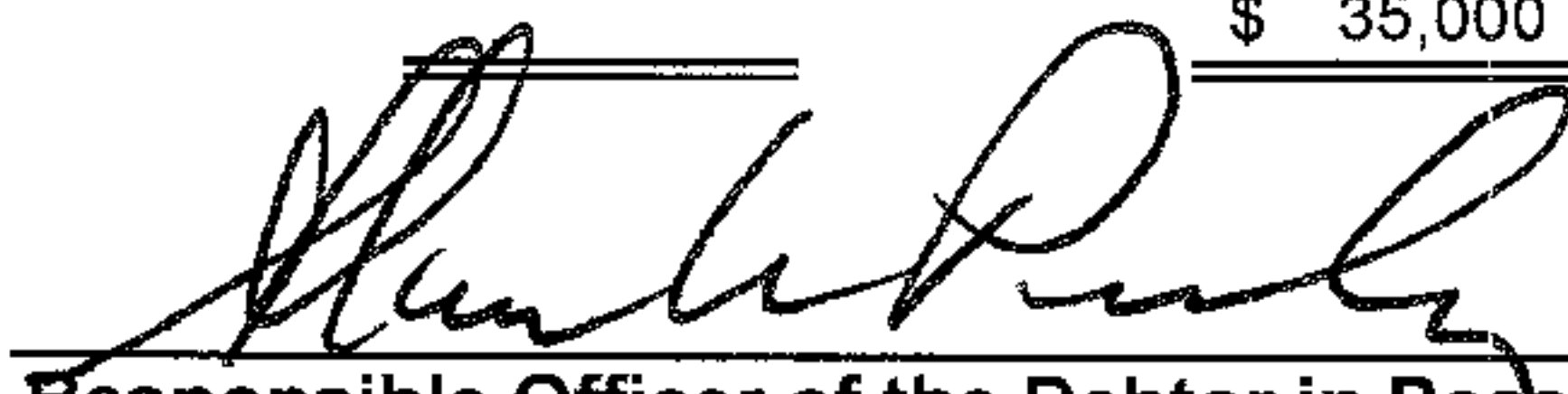
Current Compensation Paid:	Weekly	or	Monthly
	_____		<u>\$ 35,000</u>

Current Benefits Paid:	Weekly	or	Monthly
Health Insurance	_____		_____
Life Insurance	_____		_____
Retirement	_____		_____
Company Vehicle	_____		_____
Entertainment	_____		_____
Travel	_____		_____
Other Benefits	_____		_____
Total Benefits	_____		_____

Current Other Payments Paid:	Weekly	or	Monthly
Rent Paid	_____		_____
Loans	_____		_____
Other (Describe)	_____		_____
Other (Describe)	_____		_____
Other (Describe)	_____		_____
Total Other Payments	_____		_____

CURRENT TOTAL OF ALL PAYMENTS:	Weekly	or	Monthly
	_____		<u>\$ 35,000</u>

Dated: 4/22/10

  
 Responsible Officer of the Debtor in Possession



# SCHEDULE OF IN-FORCE INSURANCE

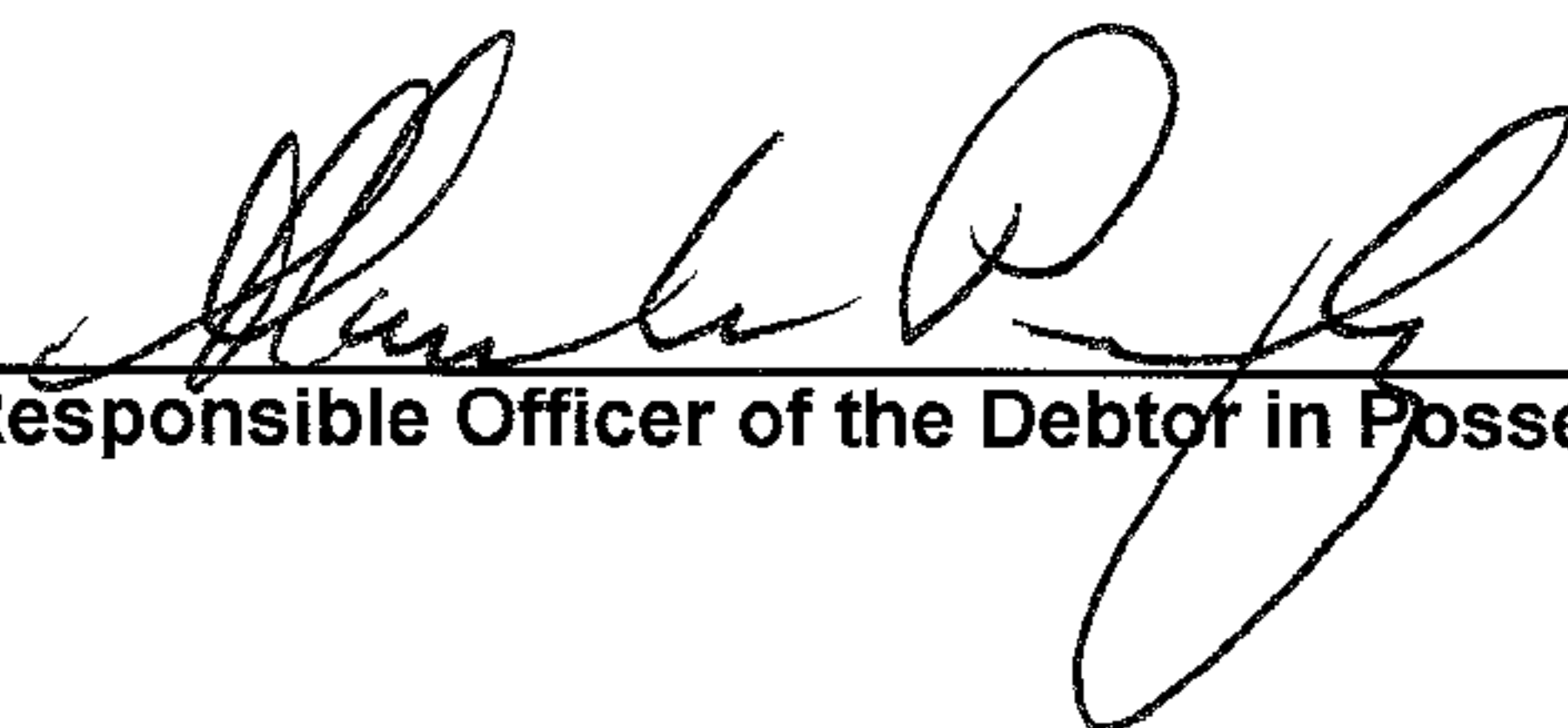
Period Ending: 3/31/10

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 3/31/10

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

A/C 140582583

03/31/10 ENDING BANK BAL	2,417,771.47			
LESS O/S CHECKS	(2,838.45)			
LESS O/S PAYCHEX MAR 26 P.Roll	(10,737.92)			
MAR 15 Incoming Wire not recorded - benefits	(26,559.00)			
MAR 23 Outgoing Wire not recorded - benefits	25,000.00			
DUPL JV Paychex Fee	(200.96)			
03/31/10 ENDING BOOK BAL	2,402,435.14			
		Date	CK #	AMOUNT
		09/03/09	100001	2,285.89
		03/30/10	110032	161.00
		03/30/10	110033	78.30
		03/30/10	110034	313.26
		TOTAL		2,838.45

**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

March '10			
<b>Cash Receipts:</b>			
<u>Date Cleared</u>	<u>Check #</u>	<u>Payee - Description</u>	<u>Amount</u>
3/11/2010	Deposit	Misc deposit	55.97
3/15/2010	Wire	NYCB - Payment of benefits withheld	26,559
			<u>26,615</u>
<b>Cash Disbursements:</b>			
<u>Date Cleared</u>	<u>Check #</u>	<u>Payee - Description</u>	<u>Amount</u>
3/22/2010	5005	Payroll - Peter Goldberg	963
3/1/2010	5006	Payroll - Bobby Goldberg	9,775
3/22/2010	5007	Payroll - Peter Goldberg	963
3/15/2010	5008	Payroll - Bobby Goldberg	9,775
3/1/2010	110021	FedEx	26
3/30/2010	110022	NYCB - Service fees	11,230
3/17/2010	110024	Jeff Goldberg - Consulting fees	10,000
3/18/2010	110026	AI Presby - Consulting fees	35,000
3/18/2010	110027	AI Presby - Exp reimbursement	39
3/17/2010	110028	Jeff Goldberg - Exp reimbursement	112
3/31/2010	110029	Ohio Treasurer of State - Franchise taxes	333
3/30/2010	110030	Office Max - Office supplies	174
3/29/2010	110031	US Trustee	325
3/2/2010	Wire	GlassRatner - Advisory services	80,000
3/2/2010	Wire	Hahn Loeser - Legal fees	31,904
3/4/2010	Wire	WellsFargo - Claims	17,016
3/19/2010	Wire	Squire Sanders - Legal fees	308,034
3/19/2010	Wire	KCC - Claims admin services	52,535
3/19/2010	Wire	Hahn Loeser - Legal fees	37,234
3/23/2010	Wire	Caremark - Benefits	25,000
3/25/2010	Wire	Transfer to another debtor entity - API	500
3/25/2010	Wire	Transfer to another debtor entity - AMI	500
3/31/2010	Wire	Paychex - Payroll Taxes	19,671
3/31/2010	Wire	Transfer to another debtor entity - All	500
			<u>651,610</u>



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

1144

**Statement Period:** Feb. 27, 2010 - Mar. 31, 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 Feb. 27, 2010</b>		<b>\$3,042,766.76</b>
Deposits	1 item	+ 55.97
Miscellaneous Credits	1 item	+ 26,559.00
Checks	13 items	- 78,716.19
Converted Checks	0 items	- 0.00
ACH Transfers	5 items	- 19,671.21
Wire Transfers	10 items	- 553,222.86
Other Debits and Transfers	0 items	- 0.00
<b>Ending Balance as of Mar. 31, 2010</b>		<b>\$2,417,771.47</b>

**Deposits**

Date	Amount	Date	Amount
03/11	\$55.97		
<b>Total: 1 item for \$55.97</b>			

**OTHER**  
**Miscellaneous Credits**

Date	Description	Amount
03/15	Wire Transfer Credit	\$26,559.00
<b>Total: 1 item for \$26,559.00</b>		



## Checks and Converted Checks

### Checks

Check No.	Amount	Date	Check No.	Amount	Date
5005	\$963.15	03/22	110026*	35,000.00	03/18
5006	9,774.77	03/01	110027	39.20	03/18
5007	963.15	03/22	110028	112.47	03/17
5008	9,774.77	03/15	110029	333.00	03/31
110021*	26.41	03/01	110030	174.28	03/30
110022	11,229.99	03/30	110031	325.00	03/29
110024*	10,000.00	03/17			

**Total: 13 items for \$78,716.19**

\*Indicates a gap in check sequence

## ACH ACH Transfers

Date	Description	Amount
03/15	Paychex TPS Taxes 34538200005578X 031110	\$9,446.46
03/15	Paychex Eib Invoice X34554500002264 100315	102.91
03/31	Paychex TPS Taxes 34764000005700X 032910	9,446.46
03/31	Payx-Pai-Wc Wc-Premium 0000011967762	558.47
03/31	Paychex Eib Invoice X34786200003210 100331	116.91

**Total: 5 items for \$19,671.21**

## WIRES Wire Transfers

Date	Description	Amount
03/02	Wire Transfer Debit	\$80,000.00
03/02	Wire Transfer Debit	31,903.76
03/04	Wire Transfer Debit	17,015.67
03/19	Wire Transfer Debit	308,034.33
03/19	Wire Transfer Debit	52,535.49
03/19	Wire Transfer Debit	37,233.61
03/23	Wire Transfer Debit	25,000.00
03/25	Wire Transfer Debit	500.00
03/25	Wire Transfer Debit	500.00
03/31	Wire Transfer Debit	500.00

**Total: 10 items for \$553,222.86**

**Statement Period:** Feb. 27, 2010 - Mar. 31, 2010**Account Number:** 140582583**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!**

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