HEALTH QUARTERLY STATEMENT

AS OF MARCH 31, 2006
OF THE CONDITION AND AFFAIRS OF THE

Arkansas Community Care, Inc.

NAIC Group Code 3681 (Current) ____ (Prior) NAIC Company Code 12282 Employer's ID Number 20-2036444

Organized under the Laws of Arkansas, State of Domicile or Port of Entry Arkansas

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [X] No [ ]

Incorporated/Organized 01/31/2005 Commenced Business 03/21/2005

Statutory Home Office 10025 W Markham St. Suite 220 (Street and Number), Little Rock , AR 72205 (City or Town, State and Zip Code)

Main Administrative Office 825 Washington St., Suite 300 (Street and Number)
Oakland , CA 94607 (City or Town, State and Zip Code), 510-832-0311 (Area Code) (Telephone Number)

Mail Address 825 Washington St., Suite 300 (Street and Number or P.O. Box), Oakland , CA 94607 (City or Town, State and Zip Code)

Primary Location of Books and Records 825 Washington St., Suite 300 (Street and Number)
Oakland , CA 94607 (City or Town, State and Zip Code), 510-832-0311 (Area Code) (Telephone Number)

Internet Website Address www.arkansascommunitycare.com

Statutory Statement Contact Bradley Raymond Luke (Name), 510-817-1038 (Area Code) (Telephone Number)
bluke@arcadianhp.com (E-mail Address), 510-817-1039 (FAX Number)

Policyowner Relations Contact 825 Washington St., Suite 300 (Street and Number)
Oakland , CA 94607 (City or Town, State and Zip Code), 510-832-0311 (Area Code) (Telephone Number)

OFFICERS

Chief Operating Officer John Harvery Austin
CFO Kenneth Benjamin Zimmerman
President Nancy Ellen Freeman
Vice President Cheryl Yvonne Perkins

OTHER

DIRECTORS OR TRUSTEES

State of California
County of Alameda
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.

John Harvey Austin	Nancy Ellen Freeman	Kenneth Benjamin Zimmerman
CEO	President	CFO

Subscribed and sworn to before me this
____ day of May 2006

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

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Prior Year Net Admitted Assets
1. Bonds	1,335,117		1,335,117	348,528
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less $ ..... encumbrances)			0	0
4.2 Properties held for the production of income (less $ ..... encumbrances)			0	0
4.3 Properties held for sale (less $ ..... encumbrances)			0	0
5. Cash ($ 1,778,695), cash equivalents ($ .....), and short-term investments ($ 2,388,380)	4,167,075		4,167,075	4,707,126
6. Contract loans, (including $ ..... premium notes)			0	0
7. Other invested assets			0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	5,502,192	0	5,502,192	5,055,654
11. Title plants less $ ..... charged off (for Title insurers only)			0	0
12. Investment income due and accrued	20,807		20,807	14,375
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	75,671		75,671	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	0
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset			0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets ($ .....)	50,522	50,522	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates			0	0
22. Health care ($ .....) and other amounts receivable			0	0
23. Aggregate write-ins for other than invested assets	69,689	69,689	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	5,718,881	120,211	5,598,670	5,070,029
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	5,718,881	120,211	5,598,670	5,070,029
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Deposits	1,303	1,303	0	0
2302. Prepaids	68,386	68,386	0	
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	69,689	69,689	0	0

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $ ..... reinsurance ceded)	551,266	146,658	697,924	0
2.	Accrued medical incentive pool and bonus amounts			0	0
3.	Unpaid claims adjustment expenses	24,427		24,427	0
4.	Aggregate health policy reserves			0	0
5.	Aggregate life policy reserves			0	0
6.	Property/casualty unearned premium reserve	0		0	0
7.	Aggregate health claim reserves			0	0
8.	Premiums received in advance	392,928		392,928	1,234
9.	General expenses due or accrued	187,352		187,352	0
10.1	Current federal and foreign income tax payable and interest thereon (including $ ..... on realized gains (losses))			0	0
10.2	Net deferred tax liability			0	0
11.	Ceded reinsurance premiums payable			0	0
12.	Amounts withheld or retained for the account of others			0	0
13.	Remittances and items not allocated			0	0
14.	Borrowed money (including $ ..... current) and interest thereon $ ..... (including $ ..... current)			0	0
15.	Amounts due to parent, subsidiaries and affiliates	120,710		120,710	63,208
16.	Payable for securities			0	0
17.	Funds held under reinsurance treaties (with $ ..... authorized reinsurers and $ ..... unauthorized reinsurers)			0	0
18.	Reinsurance in unauthorized companies			0	0
19.	Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20.	Liability for amounts held under uninsured plans			0	0
21.	Aggregate write-ins for other liabilities (including $ ..... current)	0	0	0	0
22.	Total liabilities (Lines 1 to 21)	1,276,683	146,658	1,423,341	64,442
23.	Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24.	Common capital stock	XXX	XXX		
25.	Preferred capital stock	XXX	XXX		
26.	Gross paid in and contributed surplus	XXX	XXX	5,000,000	5,000,000
27.	Surplus notes	XXX	XXX		
28.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29.	Unassigned funds (surplus)	XXX	XXX	(824,671)	5,587
30.	Less treasury stock, at cost:				
	30.1 ..... shares common (value included in Line 24 $ .....)	XXX	XXX		
	30.2 ..... shares preferred (value included in Line 25 $ .....)	XXX	XXX		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	4,175,329	5,005,587
32.	Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	5,598,670	5,070,029
	DETAILS OF WRITE-INS				
2101.					
2102.					
2103.					
2198.	Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199.	Totals (Lines 2101 through 2103 plus 2198)(Line 21 above)	0	0	0	0
2301.		XXX	XXX		
2302.		XXX	XXX		
2303.		XXX	XXX		
2398.	Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399.	Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	XXX	XXX	0	0
2801.		XXX	XXX		
2802.		XXX	XXX		
2803.		XXX	XXX		
2898.	Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899.	Totals (Lines 2801 through 2803 plus 2898)(Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date
		1 Uncovered	2 Total	3 Total
1.	Member Months	XXX	1,308	
2.	Net premium income (including $ non-health premium income)	XXX	1,009,079	
3.	Change in unearned premium reserves and reserve for rate credits	XXX		
4.	Fee-for-service (net of $ medical expenses)	XXX		
5.	Risk revenue	XXX		
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	1,009,079	0
	Hospital and Medical:			
9.	Hospital/medical benefits		554,098	
10.	Other professional services		41,198	
11.	Outside referrals	154,228	154,228	
12.	Emergency room and out-of-area	5,131	8,841	
13.	Prescription drugs		68,016	
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)	159,359	826,381	0
	Less:			
17.	Net reinsurance recoveries			
18.	Total hospital and medical (Lines 16 minus 17)	159,359	826,381	0
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $ cost containment expenses		197,747	
21.	General administrative expenses		796,120	
22.	Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)	159,359	1,820,248	0
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(811,169)	0
25.	Net investment income earned		45,806	4,142
26.	Net realized capital gains (losses) less capital gains tax of $			
27.	Net investment gains (losses) (Lines 25 plus 26)	0	45,806	4,142
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $)]			
29.	Aggregate write-ins for other income or expenses	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(765,363)	4,142
31.	Federal and foreign income taxes incurred	XXX		
32.	Net income (loss) (Lines 30 minus 31)	XXX	(765,363)	4,142
	DETAILS OF WRITE-INS			
0601.		XXX		
0602.		XXX		
0603.		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.		XXX		
0702.		XXX		
0703.		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.				
1402.				
1403				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0
2901.				
2902.				
2903				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year to Date	2 Prior Year to Date	3 Prior Year
	CAPITAL AND SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	5,005,587		0
34.	Net income or (loss) from Line 32	(765,363)	4,142	60,903
35.	Change in valuation basis of aggregate policy and claim reserves			
36.	Change in net unrealized capital gains (losses) less capital gains tax of $			
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax			
39.	Change in nonadmitted assets	(64,895)		(55,316)
40	Change in unauthorized reinsurance	0	0	0
41.	Change in treasury stock	0	0	0
42.	Change in surplus notes	0	0	0
43.	Cumulative effect of changes in accounting principles			
44.	Capital Changes:			
	44.1 Paid in	0	0	0
	44.2 Transferred from surplus (Stock Dividend)	0	0	0
	44.3 Transferred to surplus			
45.	Surplus adjustments:			
	45.1 Paid in	0	3,000,000	5,000,000
	45.2 Transferred to capital (Stock Dividend)			
	45.3 Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus	0	0	0
48.	Net change in capital & surplus (Lines 34 to 47)	(830,258)	3,004,142	5,005,587
49.	Capital and surplus end of reporting period (Line 33 plus 48)	4,175,329	3,004,142	5,005,587
	DETAILS OF WRITE-INS			
4701.				
4702.				
4703.				
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799.	Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	0	0

CASH FLOW

		1 Current Year To Date	2 Prior Year Ended December 31
	Cash from Operations		
1.	Premiums collected net of reinsurance	1,325,102	1,234
2.	Net investment income	38,971	53,475
3.	Miscellaneous income	0	0
4.	Total (Lines 1 to 3)	1,364,073	54,709
5.	Benefit and loss related payments	128,457	0
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	782,087	8,250
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) $ ..... net of tax on capital gains (losses)	0	0
10.	Total (Lines 5 through 9)	910,544	8,250
11.	Net cash from operations (Line 4 minus Line 10)	453,529	46,459
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	4,481	0
	12.2 Stocks	0	0
	12.3 Mortgage loans	0	0
	12.4 Real estate	0	0
	12.5 Other invested assets	0	0
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
	12.7 Miscellaneous proceeds	0	0
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	4,481	0
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	990,667	347,594
	13.2 Stocks	0	0
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	0	0
	13.6 Miscellaneous applications	0	934
	13.7 Total investments acquired (Lines 13.1 to 13.6)	990,667	348,528
14.	Net increase (or decrease) in contract loans and premium notes	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(986,186)	(348,528)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	0
	16.2 Capital and paid in surplus, less treasury stock	0	5,000,000
	16.3 Borrowed funds	0	0
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
	16.5 Dividends to stockholders	0	0
	16.6 Other cash provided (applied)	(7,394)	9,195
17.	Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(7,394)	5,009,195
	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)	(540,051)	4,707,126
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	4,707,126	0
	19.2 End of period (Line 18 plus Line 19.1)	4,167,075	4,707,126

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

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	0												
2. First Quarter	557							557					
3. Second Quarter	0												
4. Third Quarter	0												
5. Current Year	0												
6. Current Year Member Months	1,308							1,308					
Total Member Ambulatory Encounters for Period:													
7 Physician	1,552							1,552					
8. Non-Physician	1,089							1,089					
9. Total	2,641	0	0	0	0	0	0	2,641	0	0	0	0	0
10. Hospital Patient Days Incurred	0							0					
11. Number of Inpatient Admissions	0							0					
12. Health Premiums Written	1,009,079							1,009,079					
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	1,009,079							1,009,079					
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	128,456							128,456					
18. Amount Incurred for Provision of Health Care Services	826,381							826,381					

STATEMENT AS OF MARCH 31, 2006 OF THE ARKANSAS COMMUNITY CARE, INC.

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0299999 Aggregate accounts not individually listed-uncovered	24,369					24,369
0399999 Aggregate accounts not individually listed-covered	72,717					72,717
0499999 Subtotals	97,086	0	0	0	0	97,086
0599999 Unreported claims and other claim reserves						600,838
0699999 Total amounts withheld						
0799999 Total claims unpaid						697,924
0899999 Accrued medical incentive pool and bonus amounts						

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	0	128,456	0	697,924	0	0
7 Title XIX - Medicaid					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	0	128,456	0	697,924	0	0
10. Healthcare receivables (a)					0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals	0	128,456	0	697,924	0	0

(a) Excludes $ ..... loans or advances to providers not yet expensed.

1. Summary of Significant Accounting Policies

The accompanying financial statements of the Company have been prepared in conformity with the statutory accounting practices set forth in the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures manual,* version effective March 2005 ("NAIC").

The Arkansas Insurance Department ("AID") requires that insurance companies domiciled in Arkansas prepare their statutory basis financial statements in accordance with NAIC SAP to the extent that the practices and procedures contained in the manual do not conflict with any other provisions of Arkansas Insurance code. Title 23, subtitle of the Arkansas Insurance Code contains differences from NAIC SAP. These sections that supercede the NAIC SAP rules pertain primarily to limitations on investments, and reserve requirements.

Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements as prescribed by Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Investments

Investments are stated in accordance with methods and values adopted by the NAIC and, as such, bonds are generally stated at amortized cost. The retrospective method is used to value mortgage-backed securities. Prepayment assumptions and market values for mortgage-backed securities were obtained from IDC or Bloomberg as of March 31, 2006. Premiums and discounts on fixed maturity investments are accreted to income using the modified scientific method over the anticipated life of the security. Short-term investments and U.S. Treasury Bills are carried at amortized cost, which approximates fair market value. Market values are determined using market prices published by the NAIC Securities Valuation Office ("SVO), IDC or Bloomberg.

Net investment income earned consists of interest less investments related expense. Interest is recognized on an accrual basis. Realized gains or losses on the sale of investments are determined on the specific identification method. Unrealized gains or losses are reflected directly in unassigned surplus and, accordingly, do not affect the statements of income.

Cash and Short-Term Investments

Cash includes balances held in banks and includes certificates of deposit with maturities of less than one year. Investments which have a maturity of one year or less, at the date of purchase, including money market mutual funds, are considered short-term investments and are either carried at cost or amortized cost.

Other Accounting Policies

Unpaid claims adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not yet reported. Such estimates are based on assumptions, and while management believes the amount to be adequate, the ultimate liability may be in excess or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and adjustments are reflected in the period determined.

The costs to acquire new members, acquisition costs, are expensed as incurred.

2. **Accounting Changes and Correction of Errors**

There have been no accounting changes or corrections to prior year periods.

3. **Business Combinations and Goodwill**

Not Applicable

4. **Discontinued Operations**

Not Applicable

5. **Investments**

As of March 31, 2006, the company did not have any restructured loans, reverse mortgages, loan-backed securities, or repurchase agreements as investments.

The retrospective method is used to value mortgage-backed securities. Prepayment assumptions and market values for mortgage-backed securities were obtained from IDC or Bloomberg as of March 31, 2006.

6. **Joint Ventures, Partnerships and Limited Liability Companies**

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

7. **Investment Income**

For the 3 months ending March 31, 2006, reported net investment income was $45,806. Due and accrued investment income of $20,807 was due as of March 31, 2006.

8. **Derivative Instruments**

Not Applicable

9. **Income Taxes**

Not Applicable

10. **Information Concerning Parent, Subsidiaries and Affiliates**

At March 31, 2006, the Company had a payable due to its parent companies, Arcadian Management Services, Inc (AMS) and Arcadian Health Plan, Inc. of $102,460. The terms of the settlement require that these amounts be settled within 90 days.

Arkansas Community Care, Inc. began operations on January 1, 2006 and operates solely in the Medicare market place offering Medicare Advantage products in the state of Arkansas.

AMS supplies certain services to the Company through a management services agreement with Arcadian Health Plan, Inc. Those services include claims processing, professional credentialing, information technology, treasury, financial and tax services. Compensation under this contract is on a per member per month basis and was $21,190 for the 3 month period ending March 31, 2006.

11. **Debt**

The Company has no outstanding debt as of 03/31/06.

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

The Company participates in a qualified, 401k plan sponsored by the Parent Company, Arcadian Management Services, Inc. Non-highly compensated employees are eligible for a Company match of up to 5% of their income that they contribute to the plan.

13. **Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

The Company has 10 shares authorized and 3 shares issued and outstanding of $0.01 par value common stock as of 12/31/05. The Company has no preferred stock authorized.

Unassigned funds (surplus) include a reduction of $120,211 for non-admitted assets which primarily represent office furniture and equipment, prepaid expenses and deposits.

The Company did not pay any dividends as of March 31, 2006.

14. **Contingencies**

None as of 3/31/06.

15. **Leases**

The Company entered into two office leases which expire on August 31, 2011. Additionally, the Company has entered into certain leases for office equipment. Lease payments by the Company began January 1, 2006. Total payments under these leases were $ 23,097 for the three months ending March 31, 2006

As of January 1, 2006 the Company will have the following aggregate rental commitments:

2006	92,336
2007	92,336
2008	68,980
2009	24,707
2010	1,152
2011	192

16. **Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

Not Applicable

17. **Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

Not Applicable

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

Not Applicable

19. **Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

Not Applicable

20. **September 11 Events**

Not Applicable

21. **Other Items**

Not Applicable

22. **Events Subsequent**

Not Applicable

23. **Reinsurance**

The Company has reinsured with Ace American Insurance Company for specific excess loss reinsurance. Total payments to Ace American Insurance Company for the three month period ending March 31, 2006 were $5,167.

24. **Retrospectively Rated Contracts & Contracts Subject to Redetermination**

Not Applicable

25. **Change in Incurred Claims and Claim Adjustment Expenses**

Not Applicable

26. **Intercompany Pooling Arrangements**

Not Applicable

27. **Structured Settlements**

Not Applicable

28. **Health Care Receivables**

As of March 31 2006, there was $75,671 primarily due from the Department of Health and Human Services.

29. **Participating Policies**

Not Applicable

30. **Premium Deficiency Reserves**

Not Applicable

31. **Anticipated Salvage and Subrogation**

Not Applicable

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

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 [X]

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. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]
If yes, complete the Schedule Y - Part 1 - organizational chart.

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 the 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 [X] No [ ] N/A [ ]
If yes, attach an explanation.
Enrollment and member fulfillment has been transissioned from a third party vendor to Arcadian Management Services

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 02/23/2005

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. 02/23/2005

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). 02/23/2005

6.4 By what department or departments?
Arkansas Insurance Department

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]

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 Office of Thrift Supervision (OTS), 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 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES

FINANCIAL

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

9.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $

INVESTMENT

10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [ ] No [X]

10.2 If yes, explain:

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]

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: $ 0

13. Amount of real estate and mortgages held in short-term investments: $ 0

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Statement Value
14.21 Bonds	$	$
14.22 Preferred Stock	$	$
14.23 Common Stock	$	$
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)	$ 0	$ 0
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? Yes [ ] No [X]
If no, attach a description with this statement.

16. Excluding items in Schedule E, 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 Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

16.1 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
Metropolitian National Bank	PO Box 8010 Little Rock, AR 72203
Morgan Keegan	50 N Fronth Street Memphis, TN 38103

16.2 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)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [X] No [ ]

16.4 If yes, give full information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
	Morgan Keegan	01/01/2006	Better rates and services

16.5 Identify all investment advisors, brokers/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
112629	Parkway Advisors LP	6550 Directors Parkway Abilene TX 79606

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

17.2 If no, list exceptions:

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.	Increase (decrease) by adjustment		
3.	Cost of acquired		
4.	Cost of additions to and permanent improvements		
5.	Total profit (loss) on sales		
6.	Increase (decrease) by foreign exchange adjustment		
7.	Amount received on sales		
8.	Book/adjusted carrying value at end of current period		
9.	Total valuation allowance		
10.	Subtotal (Lines 8 plus 9)		
11.	Total nonadmitted amounts		
12.	Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

		1 Year to Date	2 Prior Year Ended December 31
1.	Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2.	Amount loaned during period:		
	2.1. Actual cost at time of acquisitions		
	2.2. Additional investment made after acquisitions		
3.	Accrual of discount and mortgage interest points and commitment fees		
4.	Increase (decrease) by adjustment		
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the period		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		
12.	Total nonadmitted amounts		
13.	Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

NONE

SCHEDULE BA - VERIFICATION

Other Invested Assets

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		
2.	Cost of acquisitions during period:		
	2.1. Actual cost at time of acquisitions		
	2.2. Additional investment made after acquisitions		
3.	Accrual of discount		
4.	Increase (decrease) by adjustment		
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the period		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book/adjusted carrying value of long-term invested assets at end of current period		
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		
12.	Total nonadmitted amounts		
13.	Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)		

NONE

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	348,528	
2.	Cost of bonds and stocks acquired	990,667	347,594
3.	Accrual of discount	373	0
4.	Increase (decrease) by adjustment		934
5.	Increase (decrease) by foreign exchange adjustment		0
6.	Total profit (loss) on disposal		0
7.	Consideration for bonds and stocks disposed of	4,481	0
8.	Amortization of premium	(30)	0
9.	Book value/adjusted carrying value, current period	1,335,117	348,528
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)	1,335,117	348,528
12.	Total nonadmitted amounts		0
13.	Statement value	1,335,117	348,528

SCHEDULE D - PART 1B

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

	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. Class 1	348,528	4,982,728	1,613,463	5,704	3,723,497	0	0	348,528
2. Class 2	0				0	0	0	0
3. Class 3	0				0	0	0	0
4. Class 4	0				0	0	0	0
5. Class 5	0				0	0	0	0
6. Class 6	0				0	0	0	0
7. Total Bonds	348,528	4,982,728	1,613,463	5,704	3,723,497	0	0	348,528
PREFERRED STOCK								
8. Class 1	0				0	0	0	0
9. Class 2	0				0	0	0	0
10. Class 3	0				0	0	0	0
11. Class 4	0				0	0	0	0
12. Class 5	0				0	0	0	0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	348,528	4,982,728	1,613,463	5,704	3,723,497	0	0	348,528

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year-to-Date	5 Paid for Accrued Interest Year-to-Date
8299999 Totals	2,388,380	XXX	2,384,708	8,634	5,906

SCHEDULE DA - PART 2 - Verification

Short-Term Investments Owned

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	0	0
2.	Cost of short-term investments acquired	3,593,689	0
3.	Increase (decrease) by adjustment	3,672	0
4.	Increase (decrease) by foreign exchange adjustment		0
5.	Total profit (loss) on disposal of short-term investments		0
6.	Consideration received on disposal of short-term investments	1,208,981	0
7.	Book/adjusted carrying value, current period	2,388,380	0
8.	Total valuation allowance		0
9.	Subtotal (Lines 7 plus 8)	2,388,380	0
10.	Total nonadmitted amounts		0
11.	Statement value (Lines 9 minus 10)	2,388,380	0
12.	Income collected during period	9,031	0
13.	Income earned during period	20,869	0

Schedule DB - Part F - Section 1

N O N E

Schedule DB - Part F - Section 2

N O N E

SCHEDULE S - CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
22667	95-2371728	Ace American Insuance Company	Philadelphia, PA	YES

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

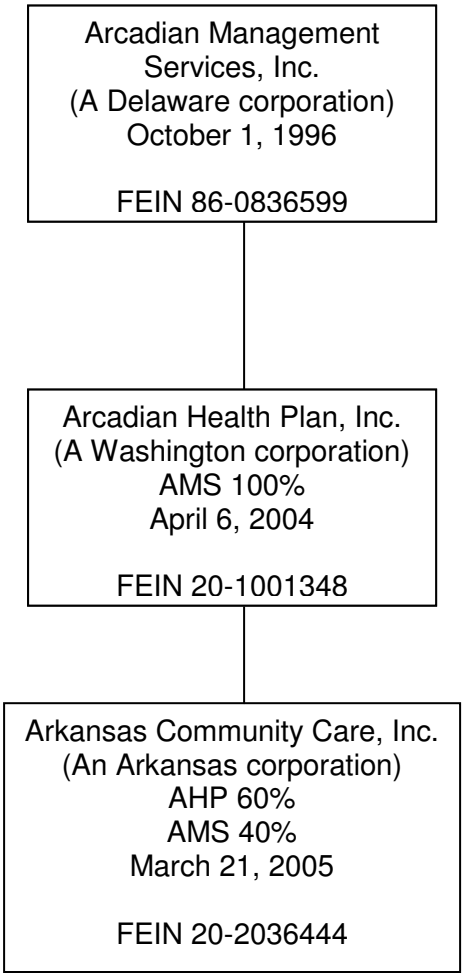
Allocated by States and Territories

		1	2	Direct Business Only Year To Date					
				3	4	5	6	7	8
	States, etc.	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/ Casualty Premiums
1.	Alabama AL		NO						
2.	Alaska AK		NO						
3.	Arizona AZ		NO						
4.	Arkansas AR		YES		1,009,079				
5.	California CA		NO						
6.	Colorado CO		NO						
7.	Connecticut CT		NO						
8.	Delaware DE		NO						
9.	District of Columbia DC		NO						
10.	Florida FL		NO						
11.	Georgia GA		NO						
12.	Hawaii HI		NO						
13.	Idaho ID		NO						
14.	Illinois IL		NO						
15.	Indiana IN		NO						
16.	Iowa IA		NO						
17.	Kansas KS		NO						
18.	Kentucky KY		NO						
19.	Louisiana LA		NO						
20.	Maine ME		NO						
21.	Maryland MD		NO						
22.	Massachusetts MA		NO						
23.	Michigan MI		NO						
24.	Minnesota MN		NO						
25.	Mississippi MS		NO						
26.	Missouri MO		NO						
27.	Montana MT		NO						
28.	Nebraska NE		NO						
29.	Nevada NV		NO						
30.	New Hampshire NH		NO						
31.	New Jersey NJ		NO						
32.	New Mexico NM		NO						
33.	New York NY		NO						
34.	North Carolina NC		NO						
35.	North Dakota ND		NO						
36.	Ohio OH		NO						
37.	Oklahoma OK		NO						
38.	Oregon OR		NO						
39.	Pennsylvania PA		NO						
40.	Rhode Island RI		NO						
41.	South Carolina SC		NO						
42.	South Dakota SD		NO						
43.	Tennessee TN		NO						
44.	Texas TX		NO						
45.	Utah UT		NO						
46.	Vermont VT		NO						
47.	Virginia VA		NO						
48.	Washington WA		NO						
49.	West Virginia WV		NO						
50.	Wisconsin WI		NO						
51.	Wyoming WY		NO						
52.	American Samoa AS		NO						
53.	Guam GU		NO						
54.	Puerto Rico PR		NO						
55.	U.S. Virgin Islands VI		NO						
56.	Nothern Mariana Islands MP		NO						
57.	Canada CN		NO						
58.	Aggregate Other Aliens OT	XXX	XXX	0	0	0	0	0	0
59.	Subtotal	XXX	XXX	0	1,009,079	0	0	0	0
60.	Reporting Entity Contributions for Employee Benefit Plans	XXX	XXX						
61.	Totals (Direct Business)	XXX	(a) 1	0	1,009,079	0	0	0	0
	DETAILS OF WRITE-INS								
5801.									
5802.									
5803.									
5898.	Summary of remaining write-ins for Line 58 from overflow page			0	0	0	0	0	0
5899.	Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)			0	0	0	0	0	0

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

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

PART 1 – ORGANIZATIONAL CHART



Overflow Page for Write-ins

N O N E

Schedule A - Part 2

N O N E

Schedule A - Part 3

N O N E

Schedule B - Part 1

N O N E

Schedule B - Part 2

N O N E

Schedule BA - Part 1

N O N E

Schedule BA - Part 2

N O N E

SCHEDULE D - PART 3

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

1 CUSIP Identification	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)
3133XE-J5-9	FHLB 4.75% 2/16/2007		01/20/2006	Morgan Keegan		100,000			1FE
3133XE-Y7-8	FHLB 5.30% 3/28/2008		03/24/2006	Raymond James		99,975			1FE
3133XE-W7-0	FHLB 6.00% 3/21/2016		03/24/2006	Morgan Keegan		99,844		100	1FE
3136F7-EB-9	FNMA 4.25% 7/27/2007		03/24/2006	Wachovia Corp		99,050		708	1FE
3136F7-RJ-8	FNMA 5.00% 2/12/2008		01/20/2006	Wachovia Corp		100,000			1FE
0399999. Bonds - U.S. Governments						498,869	0	808	XXX
3133XD-DP-3	FHLB 00-0582 H		01/19/2006	Morgan Keegan		93,695	93,989	360	1FE
31394B-G3-2	FNR 2004-101 PM		03/24/2006	Morgan Keegan		197,344	200,000	739	1FE
3199999. Bonds - Special Revenues						291,039	293,989	1,099	XXX
36962G-M7-6	General Electric Cap Corp		01/19/2006	Stifel Nicolaus		100,448	100,000	809	1FE
59018Y-WF-4	Merrill Lynch & Co		01/20/2006	Morgan Keegan		100,311	100,000	1,076	1FE
4599999. Bonds - Industrial and Miscellaneous						200,759	200,000	1,885	XXX
6099997. Total - Bonds - Part 3						990,667	493,989	3,792	XXX
6099998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
6099999. Total - Bonds						990,667	493,989	3,792	XXX
6599997. Total - Preferred Stocks - Part 3						0	XXX	0	XXX
6599998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
6599999. Total - Preferred Stocks						0	XXX	0	XXX
7299997. Total - Common Stocks - Part 3						0	XXX	0	XXX
7299998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
7299999. Total - Common Stocks						0	XXX	0	XXX
7399999. Total - Preferred and Common Stocks						0	XXX	0	XXX
7499999 - Totals						990,667	XXX	3,792	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident-ification	Description	For-eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor-tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog-nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received DuringYear	Maturity Date	NAIC Desig-nation or Market In-dicator (a)
3133XD-DP-3	FHLB 00-0582 H		03/25/2006	Principal Receipt		4,481	4,481	4,467	4,467		14		14		4,481			0	24	10/25/2010	1FE
3199999. Bonds - Special Revenues						4,481	4,481	4,467	4,467	0	14	0	14	0	4,481	0	0	0	24	XXX	XXX
6099997. Total - Bonds - Part 4						4,481	4,481	4,467	4,467	0	14	0	14	0	4,481	0	0	0	24	XXX	XXX
6099998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
6099999. Total - Bonds						4,481	4,481	4,467	4,467	0	14	0	14	0	4,481	0	0	0	24	XXX	XXX
6599997. Total - Preferred Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
6599998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
6599999. Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7299997. Total - Common Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7299998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
7299999. Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7399999. Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7499999 - Totals						4,481	XXX	4,467	4,467	0	14	0	14	0	4,481	0	0	0	24	XXX	XXX

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

Schedule DB - Part A - Section 1

N O N E

Schedule DB - Part B - Section 1

N O N E

Schedule DB - Part C - Section 1

N O N E

Schedule DB - Part D - Section 1

N O N E

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Bank of the West Oakland, CA					156,641	184,789	152,716	
US Bank Bellevue, WA					3,581	3,719	4,029	
Metropolitan National Bank Little Rock, AR			1,996		85,277	85,327	85,382	
Metropolitan National Bank CD matures 1/6/06 Little Rock, AR		3.310	7,559	0	0	0	0	
Metropolitan National Bank CD matures 4/8/06 Little Rock, AR			8,321	2,071	1,019,569	1,022,435	1,025,031	
Metropolitan National Bank CD matures 7/7/06 Little Rock, AR			4,959	1,312	506,578	506,578	511,537	
0199998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories	XXX	XXX						XXX
0199999. Totals - Open Depositories	XXX	XXX	22,835	3,383	1,771,646	1,802,848	1,778,695	XXX
0299998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories	XXX	XXX						XXX
0299999. Totals - Suspended Depositories	XXX	XXX	0	0	0	0	0	XXX
0399999. Total Cash on Deposit	XXX	XXX	22,835	3,383	1,771,646	1,802,848	1,778,695	XXX
0499999. Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999. Total - Cash	XXX	XXX	22,835	3,383	1,771,646	1,802,848	1,778,695	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due and Accrued	9 Gross Investment Income
0199999 - Total Cash Equivalents								

NONE