

CAUSE NO: D-1-GN-16-000360

THE STATE OF TEXAS	§	IN THE DISTRICT COURT OF
<i>Plaintiff,</i>	§	
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
MILLENNIUM CLOSING SERVICES, LLC	§	
D/B/A MILLENNIUM TITLE	§	
<i>Defendant.</i>	§	53 rd JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND
SUMMARY STATEMENT OF EXPENSES
(JANUARY 25, 2016 THROUGH FEBRUARY 29, 2016)**

TO THE HONORABLE DISTRICT COURT:

CANTILO & BENNETT, L.L.P., solely in its capacity as the Special Deputy Receiver of Millennium Closing Services, LLC d/b/a Millennium Title (the “SDR” and “Millennium” respectively), files this Financial Report and Summary Statement of Expenses of the receivership estate for the period of January 25, 2016 to February 29, 2016. The attached report is filed pursuant to TEX. INS. CODE ANN., §§ 443.015(2)(g) and 443.016(a) and the Court's Order Approving the SDR's Application for Approval of Fees and Expenses, entered on March 24, 2016.

The Special Deputy Receiver has served this Quarterly Financial Report to all known parties at interest, as shown in the certificate of service.

Respectfully submitted,

FULLER LAW GROUP

By: /s/Christopher Fuller

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SPECIAL DEPUTY RECEIVER OF
MILLENNIUM CLOSING SERVICES, L.L.C.
D/B/A MILLENNIUM TITLE**

CERTIFICATE OF SERVICE

I certify that on April 30th, 2016, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (JANUARY 25, 2016 THROUGH FEBRUARY 29, 2016) was served pursuant to the Order of Reference, Texas Rules of Civil Procedure, TEX. INS. CODE ANN. SEC. 443.007(d) and the Court's order on electronic service on the following by email, except as specifically otherwise noted.

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/s/Christopher Fuller
Christopher Fuller

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**Millennium Title
Statement of Expenses**

**For Period Ending
02/29/16**

	Total Dec	Total Jan	Total Feb	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/			42,320.00	42,320.00
Partner/Attorney Travel			2,310.00	2,310.00
Partner/Attorney			500.00	500.00
Expenses			3,910.05	3,910.05
Total SDR Billing	0.00	0.00	49,040.05	49,040.05
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney			48,200.00	48,200.00
Attorney-Travel			750.00	750.00
Expenses			3,759.75	3,759.75
Total Billing	0.00	0.00	52,709.75	52,709.75
Inquest Resources				
Paralegal			4,935.00	4,935.00
Paralegal Travel			63.75	63.75
Receivership Specialist			5,782.50	5,782.50
Receivership Specialist/ Travel			543.75	543.75
Litigation Assistant/Records Mgr			2,047.50	2,047.50
Litigation Assistant/Records Mgr Travel			384.75	384.75
Expenses			5,787.92	5,787.92
Total Billing	0.00	0.00	19,545.17	19,545.17
Total Legal Subcontractors	0.00	0.00	72,254.92	72,254.92
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/			6,552.00	6,552.00
Accountant-Principal Travel			405.00	405.00
Accountant			7,161.00	7,161.00
Accountant-Travel			525.00	525.00
Clerical/			30.00	30.00
Accountant				0.00
Expenses			1,382.70	1,382.70
Total Billing	0.00	0.00	16,055.70	16,055.70
Abaci, Inc.				
Project Manager			5,177.50	5,177.50
Project Manager - Travel			565.25	565.25
Technical Analyst			14,310.00	14,310.00
Technical Analyst - Travel			310.50	310.50
Expenses			1,329.25	1,329.25
Total Billing	0.00	0.00	21,692.50	21,692.50
EMKAY Associates				
Claims Manager/			142.50	142.50
Claims Representative/			15,436.00	15,436.00
Claims Representative			51.00	51.00
Expenses				0.00
Total Billing	0.00	0.00	15,629.50	15,629.50
Total Other SDR Subcontractors	0.00	0.00	53,377.70	53,377.70

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**Millennium Title
Statement of Expenses**

**For Period Ending
02/29/16**

	Total Dec	Total Jan	Total Feb	Total Quarter
Receivership Service Providers				
Dunn & Dill CPA's-Accounting Support Pre and Post Receivership			30,024.76	30,024.76
Select Specialty Insurance Services-E&O/Cyber Policies			12,902.26	12,902.26
Noornell, LLC-Rent Southlake			17,132.52	17,132.52
Claims/Administration Support-Contract Personnel				
R. Norton-Admin/Claims			20,000.00	20,000.00
A. Sena-Claims			11,387.50	11,387.50
P. Rangel			7,155.00	7,155.00
L. Norton			4,014.00	4,014.00
Simplifile LLC - Escrow Claims			5,269.00	5,269.00
Microsoft - Exchange Email Services (Pre Receivership)			1,456.92	1,456.92
Titleology Abstract-Legal Research			1,039.20	1,039.20
Building/Utilities/Related Expenses			2,823.10	2,823.10
Willow Bend Systems (IT Support)			19,926.00	19,926.00
Mailing/Printing Expenses			4,797.66	4,797.66
Telephone			1,729.84	1,729.84
Operating Account Bank Charges in Escrow account			182.00	182.00
Texas Treasury			0.00	0.00
Total Other	0.00	0.00	139,839.76	139,839.76
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	0.00	0.00	314,512.43	314,512.43
Liquidation Oversight Allocation				
RLO Allocation	0.00	0.00	0.00	0.00
Special Master's Fees	0.00	0.00	0.00	0.00
Total RLO & SM Expense	0.00	0.00	0.00	0.00
Total Expenses	0.00	0.00	314,512.43	314,512.43

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**Millennium Title
Statement of Net Assets**

**For the Period Ending
02/29/16**

Line		02/29/16
Cash		
1	Cash	
	Cash - Unrestricted	90,299
	APF Funds (Loan proceeds)	85,341
Investments		
2	Short-Term Investments	
3	Bonds	
4	Stocks - Preferred & Common	
5	Investments in Subsidiaries, Controlled or Affiliated Entities	
6	Mortgage Loans	
7	Real Estate	
8	Policy Loans	
9	Other Invested Assets	
Restricted Assets		
10	Statutory Deposits	
11	Funds held by or deposited with Reinsured Companies	
12	Restricted - Other	
	Funds Held for Others-Escrow Account	3,098,884
Reinsurance Receivable		
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	
15	Reinsurance Recoverables on UEP & Contingent Commissions	
Other Receivables		
16	Salvage & Subrogation Recoveries	
17	Premiums Due from Agents & Policyholders	
18	Receivable from Parents, Subsidiaries & Affiliates	
19	Receivable from Guaranty Associations - Early Access Payments	
20	Other Receivables	0
Other Assets		
21	FF&E	12,100
22	Other Assets	
	Total Assets	3,286,624

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**Millennium Title
Statement of Net Assets**

**For the Period Ending
02/29/16**

NOTES

Ref No.

Represents funds obtained from pre receiversrship escrow accounts that were transferred and are located in a restricted Frost Bank account maintained by the Special Deputy
12 Receiver.

Represents amount identified on pre receivership books and records as an "Advance to Schroeder". This amount will be reviewed and analyzed in future months. The amount has
20 been fully reserved as uncollectible until further work can be completed.

20 Original Amount

5,000

20 Allowance for Uncollectible

(5,000)

0

21 Represents estimated fair market value of furniture & fixtures located at receivership offices.

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**Millennium Title
Statement of Net Liabilities**

**For Period Ending
02/29/16**

Line		02/29/16
1	Secured Claims	
2	APF Loan	250,000
3	Special Deposit Claims	
Administrative Claims - Class 1		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	188,002
	Liquidation Oversight	
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	
	LAE Reserves	
Policy Claims		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	1,681,131
	Loss Claims Reserves	5,991,891
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	
9	LAE - Other	
10	Unearned & Advance Premium Claims - GA	
11	Unearned & Advance Premium Claims - Other	
Other Liabilities		
12	Class 3 Claims	
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	209,618
15	Class 5 Reinsurance Related Unsecured Claims	
16	Class 6 Claims	
17	Class 7 Claims	
18	Class 8 Claims	
19	Class 9 Claims	
20	Class 10 Interest	
21	Class 11 Claims	
22	Other Liabilities	
	Funds Held for Others	3,098,884
	Total Liabilities	11,419,526
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(8,132,902)
	Total Liabilities & Equity	3,286,624

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**Millennium Title
Statement of Net Liabilities**

**For Period Ending
02/29/16**

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

2 Represents funds received to date from Abandoned Property Fund

7 Represents amounts obtained from Texas Title Insurance Guaranty Association Report (TTIGA) reflecting amounts as of February 29, 2016.

14 Represents amounts due pre receivership vendors obtained from pre receivership accounting records.

22 Represents amounts identified in Escrow accounts as of receivership date that have been transferred to a restricted receivership account maintained at Frost Bank. These amounts will be reviewed and analyzed in future months in conjunction with TTIGA.

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Millennium Title
Changes in Net Liabilities for the Quarter Ending

02/29/16

Line		11/30/15	02/29/16	Change
1	Secured Claims		0	0
2	APF Loan		250,000	250,000
3	Special Deposit Claims		0	0
Administrative Claims - Class 1				
4	Administrative Claims - State/Receiver		0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses		188,002	188,002
	Liquidation Oversight		0	0
	Special Master's Fees		0	0
5	Administrative Claims - Guaranty Assns		0	0
	Administrative Expense Paid		0	0
	Administrative Expense Reserves		0	0
6	LAE - Guaranty Assns		0	0
	LAE Paid		0	0
	LAE Reserves		0	0
Policy Claims - Class 2				
7	Loss Claims - Guaranty Assns		0	0
	Loss Claims Paid		1,681,131	1,681,131
	Loss Claims Reserves		5,991,891	5,991,891
8	Loss Claims - Other		0	0
	Other Loss Claims Paid		0	0
	Other Loss Claims Reserves		0	0
9	LAE - Other		0	0
10	Unearned & Advance Premium Claims - GA		0	0
11	Unearned & Advance Premium Claims - Other		0	0
Other Liabilities				
12	Class 3 Claims		0	0
13	Class 4 Claims		0	0
14	Class 5 General Unsecured Creditor Claims		209,618	209,618
15	Class 5 Reinsurance Related Unsecured Claims		0	0
16	Class 6 Claims		0	0
17	Class 7 Claims		0	0
18	Class 8 Claims		0	0
19	Class 9 Claims		0	0
20	Class 10 Interest		0	0
21	Class 11 Claims		0	0
22	Other Liabilities		0	0
	Funds Held for Others		3,098,884	3,098,884
			0	0
	Total Liabilities	0	11,419,526	11,419,526
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(8,132,902)	(8,132,902)
	Total Liabilities & Equity	0	3,286,624	3,286,624

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**Millennium Title
Sources & Uses of Cash**

**For Period Ending
02/29/16**

	Qtr Ending Feb-16
Income	
Premium Receipts	0
Loan APF	250,000
Transfer In - Beginning Unencumbered Cash	51,241
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	894
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	302,135
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	16
Total Cash Receipts	302,151
Disbursements	
SDR Fees & Expenses	0
Subcontractor Legal Fees & Expenses	0
Subcontractor Other Fees & Expenses	0
Non-Subcontractor Fees & Expenses	63,459
Other Expenses	63,052
RLO Fees & Expenses	0
Total Disbursements for Operations	126,511
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	126,511
Net Increase(Decrease) in Cash	175,640
Cash at Beginning of Period	0
Cash at End of Period	175,640