

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
(MARCH 1, 2016 THROUGH MAY 31, 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 March 1, 2016 to May 31, 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 June 15th, 2016, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (MARCH 1, 2016 THROUGH MAY 31, 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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Special Procedures Branch
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/s/Christopher Fuller
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**Millennium Title
Statement of Expenses**

**For Period Ending
05/31/16**

	Total March	Total Apr	Total May	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	31,480.00	17,700.00	21,380.00	70,560.00
Partner/Attorney Travel	1,870.00	550.00	830.00	3,250.00
Clerical Law	0.00	3,867.50	63.75	3,931.25
Clerical	30.00	0.00	0.00	30.00
Credit-Incorrect Billing	0.00	0.00	(30.00)	(30.00)
Expenses	526.65	3,690.93	537.35	4,754.93
Total SDR Billing	33,906.65	25,808.43	22,781.10	82,496.18
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	37,625.00	31,350.00	25,650.00	94,625.00
Attorney-Travel	1,000.00	1,000.00	375.00	2,375.00
Expenses	3,814.63	2,298.33	2,689.92	8,802.88
Total Billing	42,439.63	34,648.33	28,714.92	105,802.88
Inquest Resources				
Paralegal	1,725.00	390.00	532.50	2,647.50
Receivership Specialist	5,002.50	937.50	1,252.50	7,192.50
Receivership Specialist/ Travel	157.50	0.00	22.50	180.00
Litigation Assistant/Records Mgr	1,710.00	49.50	297.00	2,056.50
Litigation Assistant/Records Mgr Travel	438.75	0.00	18.00	456.75
Expenses	3,011.03	19.34	548.72	3,579.09
Total Billing	12,044.78	1,396.34	2,671.22	16,112.34
Total Legal Subcontractors	54,484.41	36,044.67	31,386.14	121,915.22
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	3,114.00	1,638.00	1,098.00	5,850.00
Accountant	5,880.00	6,163.50	3,507.00	15,550.50
Clerical/	126.00	0.00	0.00	126.00
Expenses	110.53	116.38	114.95	341.86
Total Billing	9,230.53	7,917.88	4,719.95	21,868.36
Abaci, Inc.				
Project Manager	579.50	57.00	418.00	1,054.50
Technical Analyst	5,607.00	1,935.00	1,152.00	8,694.00
Technical Analyst - Travel	139.50	0.00	0.00	139.50
Expenses	144.62	0.00	0.00	144.62
Total Billing	6,470.62	1,992.00	1,570.00	10,032.62
EMKAY Associates				
Claims Manager/	332.50	171.00	133.00	636.50
Claims Representative/	14,178.00	8,279.00	5,236.00	27,693.00
Claims Representative	595.00	365.50	221.00	1,181.50
Expenses	0.00	0.00	0.00	0.00
Total Billing	15,105.50	8,815.50	5,590.00	29,511.00
Total Other SDR Subcontractors	30,806.65	18,725.38	11,879.95	61,411.98
Receivership Service Providers				

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**Millennium Title
Statement of Expenses**

**For Period Ending
05/31/16**

	Total March	Total Apr	Total May	Total Quarter
Claims/Administration Support-Contract Personnel				
R. Norton-Admin/Claims/Consulting re Hearing	10,465.96	10,000.00	10,000.00	30,465.96
A. Sena-Claims	2,250.00	2,475.00	2,343.75	7,068.75
P. Rangel	5,355.00	0.00	0.00	5,355.00
L. Norton	1,197.00	1,998.00	1,449.00	4,644.00
Simplifile LLC - Escrow Claims	370.00	1,070.00	492.33	1,932.33
Microsoft - Exchange Email Services	1,320.65	1,320.65	127.92	2,769.22
Titleology Abstract-Legal Research	622.44	0.00	0.00	622.44
Building/Utilities/Related Expenses	2,274.40	340.20	0.00	2,614.60
Inventory Moving and Storage	58.42	1,097.17	251.35	1,406.94
Willow Bend Systems (IT Support)	5,250.13	5,250.13	3,570.32	14,070.58
Mailing/Printing Expenses	2,540.47	62.02	55.82	2,658.31
Telephone	2,054.98	561.99	524.00	3,140.97
Sale of Real and Personal Property	0.00	44.82	0.00	44.82
Miscellaneous Expenses (General liability Insurance)	102.03	0.00	0.00	102.03
Operating Account Bank Charges	12.00	24.00	12.00	48.00
Texas Treasury	11.39	11.45	13.32	36.16
Total Other	33,884.87	24,255.43	18,839.81	76,980.11
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	153,082.58	104,833.91	84,887.00	342,803.49
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	153,082.58	104,833.91	84,887.00	342,803.49

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**Millennium Title
Statement of Net Assets**

**For the Period Ending
05/31/16**

Line		05/31/16
Cash		
1	Cash	
	Cash - Unrestricted	177,462
	APF Funds (Loan proceeds)	550,121
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	3,102,214
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	
Other Assets		
21	FF&E	1,111
22	Other Assets	
	Total Assets	3,830,908

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**Millennium Title
Statement of Net Assets**

**For the Period Ending
05/31/16**

NOTES

Ref No.

Represents funds obtained from pre receiversrship escrow accounts that were transferred and are
12 located in a restricted Frost Bank account maintained by the Special Deputy 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
20 amount has been fully reserved as uncollectible until further work can be completed.

20 Original Amount	5,000
20 Allowance for Uncollectible	<u>(5,000)</u>
	<u><u>0</u></u>

Represents estimated fair market value of furniture & fixtures obtained from former receivership
21 locations or personnel.

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Millennium Title
Changes in Net Assets for the Quarter Ending

05/31/16

Line		02/29/16	05/31/16	Change
Cash				
1	Cash			
	Cash - Unrestricted	90,299	177,462	87,163
	APF Funds (Loan proceeds)	85,341	550,121	464,780
Investments				
2	Short-Term Investments	0	0	0
3	Bonds	0	0	0
4	Stocks - Preferred & Common	0	0	0
5	Investments in Subsidiaries, Controlled or Affiliated Entities	0	0	0
6	Mortgage Loans	0	0	0
7	Real Estate	0	0	0
8	Policy Loans	0	0	0
9	Other Invested Assets	0	0	0
Restricted Assets				
10	Statutory Deposits	0	0	0
11	Funds held by or deposited with Reinsured Companies	0	0	0
12	Restricted - Other	0	0	0
	Funds Held for Others-Escrow Account	3,098,884	3,102,214	3,330
Reinsurance Receivable				
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	0	0	0
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	0	0	0
15	Reinsurance Recoverables on UEP & Contingent Commissions	0	0	0
Other Receivables				
16	Salvage & Subrogation Recoveries	0	0	0
17	Premiums Due from Agents & Policyholders	0	0	0
18	Receivable from Parents, Subsidiaries & Affiliates	0	0	0
19	Receivable from Guaranty Associations - Early Access Payments	0	0	0
20	Other Receivables	0	0	0
Other Assets				
21	FF&E	12,100	1,111	(10,989)
22	Other Assets	0	0	0
Total Assets		3,286,624	3,830,908	544,284

EXPLANATION OF CHANGES

Please provide an explanation of all significant changes excluding cash
Ref. No.

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**Millennium Title
Statement of Net Liabilities**

**For Period Ending
05/31/16**

Line		05/31/16
1	Secured Claims	
2	APF Loan	1,000,000
3	Special Deposit Claims	
Administrative Claims - Class 1		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	66,047
	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	3,108,823
	Loss Claims Reserves	2,140,573
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	3,102,214
	Total Liabilities	9,627,275
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(5,796,367)
	Total Liabilities & Equity	3,830,908

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**Millennium Title
Statement of Net Liabilities**

**For Period Ending
05/31/16**

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 reflected on the Texas Title Insurance Guaranty Association Claims Report (TTIGA) as of May 31, 2016.

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

22 Represents amounts identified as Escrow funds that are maintained in a restricted receivership account at Frost Bank. These amounts will be reviewed and analyzed in future months in conjunction with TTIGA.

Millennium Title
Changes in Net Liabilities for the Quarter Ending

05/31/16

Line		02/29/16	05/31/16	Change
1	Secured Claims	0	0	0
2	APF Loan	250,000	1,000,000	750,000
3	Special Deposit Claims	0	0	0
Administrative Claims - Class 1				
4	Administrative Claims - State/Receiver	0	0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	188,002	66,047	(121,955)
	Liquidation Oversight	0	0	0
	Special Master's Fees	0	0	0
5	Administrative Claims - Guaranty Assns	0	0	0
	Administrative Expense Paid	0	0	0
	Administrative Expense Reserves	0	0	0
6	LAE - Guaranty Assns	0	0	0
	LAE Paid	0	0	0
	LAE Reserves	0	0	0
Policy Claims - Class 2				
7	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	1,681,131	3,108,823	1,427,692
	Loss Claims Reserves	5,991,891	2,140,573	(3,851,318)
8	Loss Claims - Other	0	0	0
	Other Loss Claims Paid	0	0	0
	Other Loss Claims Reserves	0	0	0
9	LAE - Other	0	0	0
10	Unearned & Advance Premium Claims - GA	0	0	0
11	Unearned & Advance Premium Claims - Other	0	0	0
Other Liabilities				
12	Class 3 Claims	0	0	0
13	Class 4 Claims	0	0	0
14	Class 5 General Unsecured Creditor Claims	209,618	209,618	0
15	Class 5 Reinsurance Related Unsecured Claims	0	0	0
16	Class 6 Claims	0	0	0
17	Class 7 Claims	0	0	0
18	Class 8 Claims	0	0	0
19	Class 9 Claims	0	0	0
20	Class 10 Interest	0	0	0
21	Class 11 Claims	0	0	0
22	Other Liabilities	0	0	0
	Funds Held for Others	3,098,884	3,102,214	3,330
	Total Liabilities	11,419,526	9,627,275	(1,792,251)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(8,132,902)	(5,796,367)	2,336,535
	Total Liabilities & Equity	3,286,624	3,830,908	544,284

2 Represents funds received from the Abandoned Property Fund during the Quarter

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**Millennium Title
Sources & Uses of Cash**

**For Period Ending
05/31/16**

	Qtr Ending May-16
Income	
Premium Receipts	0
Loan APF	750,000
Transfer In - Beginning Unencumbered Cash	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	255,555
Sale of Real & Personal Property	10,989
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	1,016,544
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	158
Total Cash Receipts	1,016,702
Disbursements	
SDR Fees & Expenses	108,755
Subcontractor Legal Fees & Expenses	162,784
Subcontractor Other Fees & Expenses	102,910
Non-Subcontractor Fees & Expenses	53,013
Other Expenses	37,297
RLO Fees & Expenses	0
Total Disbursements for Operations	464,759
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	464,759
Net Increase(Decrease) in Cash	551,943
Cash at Beginning of Period	175,640
Cash at End of Period	727,583