

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 <sup>rd</sup> JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND  
SUMMARY STATEMENT OF EXPENSES  
(SEPTEMBER 1, 2016 THROUGH NOVEMBER 30, 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 September 1, 2016 to November 30, 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**

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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 December 15<sup>th</sup>, 2016, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (SEPTEMBER 1, 2016 THROUGH NOVEMBER 30, 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

**Millennium Title  
Statement of Expenses**

**For Period Ending  
11/30/16**

	<b>Total Sep</b>	<b>Total Oct</b>	<b>Total Nov</b>	<b>Total Quarter</b>
<b>SDR</b>				
Cantilo & Bennett, LLP				
Partner/Attorney/	23,800.00	20,180.00	11,700.00	55,680.00
Partner/Attorney Travel	750.00	0.00	780.00	1,530.00
Expenses	579.28	7.44	710.59	1,297.31
<b>Total SDR Billing</b>	<b>25,129.28</b>	<b>20,187.44</b>	<b>13,190.59</b>	<b>58,507.31</b>
<b>SDR Subcontractors - Legal</b>				
Fuller Law Group				
Attorney	23,675.00	13,075.00	21,650.00	58,400.00
Attorney-Travel	0.00	375.00	750.00	1,125.00
Expenses	943.35	168.50	834.76	1,946.61
<b>Total Billing</b>	<b>24,618.35</b>	<b>13,618.50</b>	<b>23,234.76</b>	<b>61,471.61</b>
Inquest Resources				
Paralegal	442.50	225.00	427.50	1,095.00
Receivership Specialist	2,280.00	1,342.50	2,055.00	5,677.50
Receivership Specialist/ Travel	30.00	22.50	0.00	52.50
Litigation Assistant/Records Mgr	153.00	193.50	229.50	576.00
Litigation Assistant/Records Mgr Travel	15.75	0.00	24.75	40.50
Expenses	408.21	209.89	558.30	1,176.40
<b>Total Billing</b>	<b>3,329.46</b>	<b>1,993.39</b>	<b>3,295.05</b>	<b>8,617.90</b>
<b>Total Legal Subcontractors</b>	<b>27,947.81</b>	<b>15,611.89</b>	<b>26,529.81</b>	<b>70,089.51</b>
<b>SDR Subcontractors - Other</b>				
Petrosewicz & Company, Inc				
Accountant-Principal/	1,134.00	900.00	432.00	2,466.00
Accountant	2,877.00	2,152.50	1,344.00	6,373.50
Expenses	71.67	121.96	51.60	245.23
<b>Total Billing</b>	<b>4,082.67</b>	<b>3,174.46</b>	<b>1,827.60</b>	<b>9,084.73</b>
Abaci, Inc.				
Project Manager	0.00	0.00	28.50	28.50
Technical Analyst	576.00	0.00	81.00	657.00
Expenses	0.00	0.00	0.00	0.00
<b>Total Billing</b>	<b>576.00</b>	<b>0.00</b>	<b>109.50</b>	<b>685.50</b>
EMKAY Associates				
Claims Manager/	114.00	760.00	418.00	1,292.00
Claims Representative/	5,899.00	5,601.50	5,040.50	16,541.00
Claims Representative	1,334.50	2,320.50	1,062.50	4,717.50
Expenses	0.00	0.00	0.00	0.00
<b>Total Billing</b>	<b>7,347.50</b>	<b>8,682.00</b>	<b>6,521.00</b>	<b>22,550.50</b>
<b>Total Other SDR Subcontractors</b>	<b>12,006.17</b>	<b>11,856.46</b>	<b>8,458.10</b>	<b>32,320.73</b>
<b>Receivership Service Providers</b>				
Claims/Administration Support-Contract Personnel				0.00
R. Norton-Admin/Claims/Consulting	10,000.00	10,000.00	10,000.00	30,000.00
A. Sena-Claims	2,296.90	2,418.85	2,550.00	7,265.75
L. Norton	666.00	576.00	594.00	1,836.00

Microsoft - Exchange Email Services	648.13	648.13	0.00	1,296.26
Inventory Moving and Storage-Armstrong Archives/Extra Space	247.58	265.97	62.94	576.49
Willow Bend Systems (IT Support)	3,429.60	3,429.60	3,429.60	10,288.80
Telephone	295.00	377.79	335.40	1,008.19
Operating Account Bank Charges	24.00	24.00	0.00	48.00
Texas Treasury	25.81	25.10	25.12	76.03
<b>Total Other</b>	<b>17,633.02</b>	<b>17,765.44</b>	<b>16,997.06</b>	<b>52,395.52</b>
<b>Sub-Total SDR, Subcontractor &amp; Provider Expenses</b>				
<b>Sub-Total SDR, Subcontractor &amp; Provider Expenses</b>	<b>82,716.28</b>	<b>65,421.23</b>	<b>65,175.56</b>	<b>213,313.07</b>
<b>Liquidation Oversight Allocation</b>				
RLO Allocation	0.00	0.00	0.00	0.00
Special Master's Fees	0.00	0.00	0.00	0.00
<b>Total RLO &amp; SM Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Expenses</b>	<b>82,716.28</b>	<b>65,421.23</b>	<b>65,175.56</b>	<b>213,313.07</b>

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**Millennium Title  
Statement of Net Assets**

**For the Period Ending  
11/30/16**

Line		11/30/16
<b>Cash</b>		
1	Cash	
	Cash - Unrestricted	14,699
	APF Funds (Loan proceeds)	871,139
<b>Investments</b>		
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	
<b>Restricted Assets</b>		
10	Statutory Deposits	
11	Funds held by or deposited with Reinsured Companies	
12	Restricted - Other	
	Funds Held for Others-Escrow Account	3,103,412
<b>Reinsurance Receivable</b>		
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	
<b>Other Receivables</b>		
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	
<b>Other Assets</b>		
21	FF&E	150
22	Other Assets	
	<b>Total Assets</b>	<b>3,989,400</b>

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**Millennium Title  
Statement of Net Assets**

**For the Period Ending  
11/30/16**

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**NOTES**

Ref No.

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



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**Millennium Title**  
**Changes in Net Assets for the Quarter Ending**

11/30/16

Line		08/31/16	11/30/16	Change
<b>Cash</b>				
1	Cash			
	Cash - Unrestricted	67,610	14,699	(52,911)
	APF Funds (Loan proceeds)	930,608	871,139	(59,469)
<b>Investments</b>				
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
<b>Restricted Assets</b>				
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	3,102,574	3,103,412	838
<b>Reinsurance Receivable</b>				
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
<b>Other Receivables</b>				
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
<b>Other Assets</b>				
21	FF&E	150	150	0
22	Other Assets	0	0	0
<b>Total Assets</b>		<b>4,100,942</b>	<b>3,989,400</b>	<b>(111,542)</b>

**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  
11/30/16**

Line		11/30/16
1	Secured Claims	
2	APF Loan	1,000,000
3	Special Deposit Claims	
<b>Administrative Claims - Class 1</b>		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	48,179
	Liquidation Oversight	
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	335,456
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	
	LAE Reserves	
<b>Policy Claims</b>		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	3,377,901
	Loss Claims Reserves	1,326,838
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	
<b>Other Liabilities</b>		
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	3,103,412
	<b>Total Liabilities</b>	9,401,404
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(5,412,004)
	<b>Total Liabilities &amp; Equity</b>	3,989,400

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**Millennium Title  
Statement of Net Liabilities**

**For Period Ending  
11/30/16**

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**NOTES**

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

2 Represents funds received to date from Abandoned Property Fund

5 Represents amount reflected on Texas Title Insurance Guaranty Association (TTIGA) timely filed proof of claim (POC). The POC has not yet been reviewed or adjudicated.

7 Represents amounts reflected on the Texas Title Insurance Guaranty Association Claims Report (TTIGA) as of November 30, 2016. TTIGA timely filed a Proof of Claim (POC) in October reflecting \$3,376,349.75 as claims paid. This amount has not yet been reviewed or adjudicated.

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.

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**Millennium Title**  
**Changes in Net Liabilities for the Quarter Ending**

11/30/16

Line		08/31/16	11/30/16	Change
1	Secured Claims	0	0	0
2	APF Loan	1,000,000	1,000,000	0
3	Special Deposit Claims	0	0	0
<b>Administrative Claims - Class 1</b>				
4	Administrative Claims - State/Receiver	0	0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	62,328	48,179	(14,149)
	Liquidation Oversight	0	0	0
	Special Master's Fees	0	0	0
5	Administrative Claims - Guaranty Assns	0	0	0
	Administrative Expense Paid	0	335,456	335,456
	Administrative Expense Reserves	0	0	0
6	LAE - Guaranty Assns	0	0	0
	LAE Paid	0	0	0
	LAE Reserves	0	0	0
<b>Policy Claims - Class 2</b>				
7	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	3,331,465	3,377,901	46,436
	Loss Claims Reserves	889,669	1,326,838	437,169
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
<b>Other Liabilities</b>				
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	3,102,574	3,103,412	838
		0	0	0
	<b>Total Liabilities</b>	8,595,654	9,401,404	805,750
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,494,712)	(5,412,004)	(917,292)
	<b>Total Liabilities &amp; Equity</b>	4,100,942	3,989,400	(111,542)

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  
11/30/16**

	<b>Qtr Ending Nov-16</b>
<b>Income</b>	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	114,475
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
<b>Total Receipts from Assets/Receivables</b>	<b>114,475</b>
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	607
<b>Total Cash Receipts</b>	<b>115,082</b>
<b>Disbursements</b>	
SDR Fees & Expenses	67,441
Subcontractor Legal Fees & Expenses	66,650
Subcontractor Other Fees & Expenses	40,975
Non-Subcontractor Fees & Expenses	39,102
Other Expenses	13,294
RLO Fees & Expenses	0
<b>Total Disbursements for Operations</b>	<b>227,462</b>
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
<b>Total Cash Distributions</b>	<b>0</b>
<b>Total Cash Disbursements &amp; Distributions</b>	<b>227,462</b>
<b>Net Increase(Decrease) in Cash</b>	<b>(112,380)</b>
<b>Cash at Beginning of Period</b>	<b>998,218</b>
<b>Cash at End of Period</b>	<b>885,838</b>