

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
(JUNE 1, 2017 THROUGH AUGUST 31, 2017)**

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 June 1, 2017 to August 31, 2017. 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 September 15th, 2017, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (JUNE 1, 2017 THROUGH AUGUST 31, 2017) 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
08/31/17**

	Total Jun	Total Jul	Total Aug	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	17,060.00	12,640.00	27,740.00	57,440.00
Partner/Attorney Travel	750.00	50.00	0.00	800.00
Clerical Law	0.00	0.00	1,700.00	1,700.00
Expenses	637.09	0.00	38.91	676.00
Total SDR Billing	18,447.09	12,690.00	29,478.91	60,616.00
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	12,350.00	11,725.00	8,825.00	32,900.00
Attorney-Travel	750.00	0.00	0.00	750.00
Expenses	919.27	266.73	238.21	1,424.21
Total Billing	14,019.27	11,991.73	9,063.21	35,074.21
Inquest Resources				
Paralegal	442.50	195.00	217.50	855.00
Receivership Specialist	367.50	195.00	555.00	1,117.50
Litigation Assistant/Records Mgr	13.50	9.00	36.00	58.50
Litigation Assistant/Records Mgr Travel	0.00	0.00	11.25	11.25
Expenses	41.61	62.45	44.42	148.48
Total Billing	865.11	461.45	864.17	2,190.73
Total Legal Subcontractors	14,884.38	12,453.18	9,927.38	37,264.94
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	756.00	990.00	666.00	2,412.00
Accounting Clerical	14.00	0.00	0.00	14.00
Accountant	1,869.00	4,956.00	2,467.50	9,292.50
Clerical/	0.00	54.00	366.00	420.00
Expenses	20.48	43.83	36.48	100.79
Credit: Correction of Clerical Billing rate on June Invoice	0.00	0.00	(2.00)	(2.00)
Total Billing	2,659.48	6,043.83	3,533.98	12,237.29
Abaci, Inc.				
Technical Analyst	18.00	27.00	18.00	63.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	18.00	27.00	18.00	63.00
EMKAY Associates				
Claims Manager/	180.50	199.50	19.00	399.00
Claims Representative/	3,527.50	3,391.50	3,519.00	10,438.00
Claims Representative	748.00	841.50	3,697.50	5,287.00
Expenses	0.00	78.72	0.00	78.72
Total Billing	4,456.00	4,511.22	7,235.50	16,202.72
Total Other SDR Subcontractors	7,133.48	10,582.05	10,787.48	28,503.01
Receivership Service Providers				
Claims/Administration Support-Contract Personnel				
R. Norton-Admin/Claims/Consulting	10,000.00	10,000.00	9,976.39	29,976.39
A. Sena-Claims	1,425.00	900.00	693.75	3,018.75
Microsoft - Exchange Email Services	648.13	648.13	1,296.26	2,592.52
Inventory Moving and Storage-Armstrong Archives	53.37	53.37	61.17	167.91

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Millennium Title
Statement of Expenses

For Period Ending
08/31/17

	Total Jun	Total Jul	Total Aug	Total Quarter
Willow Bend Systems (IT Support)	3,429.60	3,429.60	3,429.60	10,288.80
MegaPath-Telephone Forwarding and Voicemail	41.76	41.30	40.63	123.69
Answer National-Telemessaging Service	295.00	295.00	295.00	885.00
Wells Fargo-Legal records NJC Carroll Law	63.50	0.00	0.00	63.50
Operating Account Bank Charges	12.00	24.00	0.00	36.00
Texas Treasury 191	0.00	10.16	10.17	20.33
Texas Treasury APF Account 192	23.22	22.14	22.46	67.82
Total Other	15,991.58	15,423.70	15,825.43	47,240.71
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	56,456.53	51,148.93	66,019.20	173,624.66
Liquidation Oversight Allocation				
RLO Allocation	0.00	0.00	0.00	0.00
Special Master's Fees	140.00	0.00	0.00	140.00
Total RLO & SM Expense	140.00	0.00	0.00	140.00
Total Expenses	56,596.53	51,148.93	66,019.20	173,764.66

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**Millennium Title
Statement of Net Assets**

**For the Period Ending
08/31/17**

Line		08/31/17
Cash		
1	Cash	
	Cash - Unrestricted	10,011
	APF Funds (Loan proceeds)	688,472
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	3,092,828
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	
22	Other Assets	
	Total Assets	3,791,311

NOTES

Ref No.

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

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Millennium Title
Changes in Net Assets for the Quarter Ending

08/31/17

Line		05/31/17	08/31/17	Change
Cash				
1	Cash			
	Cash - Unrestricted	10,008	10,011	3
	APF Funds (Loan proceeds)	780,538	688,472	(92,066)
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	3,093,681	3,092,828	(853)
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	0	0	0
22	Other Assets	0	0	0
Total Assets		3,884,227	3,791,311	(92,916)

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
08/31/17**

Line		08/31/17
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	50,842
	Liquidation Oversight	
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	472,785
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	
	LAE Reserves	
Policy Claims		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	3,573,727
	Loss Claims Reserves	
8	Loss Claims - Other	
	Other Loss Claims Paid	853
	Other Loss Claims Reserves	13,762
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	3,092,828
	Total Liabilities	8,414,415
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,623,104)
	Total Liabilities & Equity	3,791,311

**Millennium Title
Statement of Net Liabilities**

**For Period Ending
08/31/17**

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) and POC supplement dated August 24, 2017. The POC has not yet been reviewed or adjudicated.

- 7 Represents amount reported on the Texas Title Insurance Guaranty Association (TTIGA) Supplement to Proof of Claim dated August 24, 2017. This amount supersedes the Final Claims Report as of May 31, 2017 and dated June 7, 2017. TTIGA originally filed a timely Proof of Claim (POC) in October 2016 reflecting \$3,376,349.75 as claims paid. These amounts have not yet been reviewed or adjudicated.

- 8 Loss Claims Paid represents SDR approved claim for funds held in escrow bank account.

- 8 Represents 11 claim checks issued by TTIGA that were not "cashed" as of May 31, 2017. As a result, TTIGA cancelled the checks and reclassified the claims as "Rejected for Failure to Negotiate Payment." The SDR will evaluate these claims and determine a course of action.

- 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

08/31/17

Line		05/31/17	08/31/17	Change
1	Secured Claims	0	0	0
2	APF Loan	1,000,000	1,000,000	0
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	38,210	50,842	12,632
	Liquidation Oversight	0	0	0
	Special Master's Fees	0	0	0
5	Administrative Claims - Guaranty Assns	0	0	0
	Administrative Expense Paid	335,456	472,785	137,329
	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	3,577,621	3,573,727	(3,894)
	Loss Claims Reserves	0	0	0
8	Loss Claims - Other	0	0	0
	Other Loss Claims Paid	0	853	853
	Other Loss Claims Reserves	13,762	13,762	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	3,093,681	3,092,828	(853)
	Total Liabilities	8,268,348	8,414,415	146,067
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,384,121)	(4,623,104)	(238,983)
	Total Liabilities & Equity	3,884,227	3,791,311	(92,916)

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**Millennium Title
Sources & Uses of Cash**

**For Period Ending
08/31/17**

	Qtr Ending Aug-17
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	67,356
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	67,356
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	1,713
Total Cash Receipts	69,069
Disbursements	
SDR Fees & Expenses	48,188
Subcontractor Legal Fees & Expenses	41,195
Subcontractor Other Fees & Expenses	25,016
Non-Subcontractor Fees & Expenses	32,995
Other Expenses	13,598
RLO Fees & Expenses	140
Total Disbursements for Operations	161,132
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	161,132
Net Increase(Decrease) in Cash	(92,063)
Cash at Beginning of Period	790,546
Cash at End of Period	698,483