

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
(SEPTEMBER 1, 2017 THROUGH NOVEMBER 30, 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 September 1, 2017 to November 30, 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 December 15th, 2017, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (SEPTEMBER 1, 2017 THROUGH NOVEMBER 30, 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
11/30/17**

	Current Mo 11/30/17	Total Sep	Total Oct	Total Nov	Total Quarter
SDR					
columns for Quart					
Cantilo & Bennett, LLP					
Partner/Attorney/	15,460.00	15,180.00	15,380.00	15,460.00	46,020.00
Partner/Attorney Travel	0.00	100.00	60.00	0.00	160.00
Expenses	103.74	23.61	8.28	103.74	135.63
Total SDR Billing	15,563.74	15,303.61	15,448.28	15,563.74	46,315.63
SDR Subcontractors - Legal					
Fuller Law Group					
Attorney	6,650.00	13,975.00	9,000.00	6,650.00	29,625.00
Expenses		238.00	238.00	0.00	476.00
Total Billing	6,650.00	14,213.00	9,238.00	6,650.00	30,101.00
Inquest Resources					
Paralegal	667.50	1,140.00	292.50	667.50	2,100.00
Receivership Specialist	787.50	1,102.50	592.50	787.50	2,482.50
Litigation Assistant/Records Mgr	36.00	184.50	63.00	36.00	283.50
Litigation Assistant/Records Mgr Travel	11.25	51.75	36.05	11.25	99.05
Expenses	359.60	390.50	0.00	359.60	750.10
Total Billing	1,861.85	2,869.25	984.05	1,861.85	5,715.15
Total Legal Subcontractors	8,511.85	17,082.25	10,222.05	8,511.85	35,816.15
SDR Subcontractors - Other					
Petrosewicz & Company, Inc					
Accountant-Principal/	486.00	702.00	792.00	486.00	1,980.00
Accountant	1,585.50	2,719.50	2,131.50	1,585.50	6,436.50
Expenses	51.84	43.67	39.51	51.84	135.02
Total Billing	2,123.34	3,465.17	2,963.01	2,123.34	8,551.52
Abaci, Inc.					
Technical Analyst	45.00	27.00	162.00	45.00	234.00
Expenses	0.00	0.00	0.00	0.00	0.00
Total Billing	45.00	27.00	162.00	45.00	234.00
EMKAY Associates					
Claims Manager/	57.00	76.00	38.00	57.00	171.00
Claims Representative/	3,799.50	4,182.00	4,139.50	3,799.50	12,121.00
Claims Representative	620.50	756.50	2,703.00	620.50	4,080.00
Expenses	51.92	90.50	31.74	51.92	174.16
Total Billing	4,528.92	5,105.00	6,912.24	4,528.92	16,546.16
Total Other SDR Subcontractors	6,697.26	8,597.17	10,037.25	6,697.26	25,331.68
Receivership Service Providers					
Claims/Administration Support-Contract Personnel					
R. Norton-Admin/Claims/Consulting	10,000.00	10,000.00	10,000.00	10,000.00	30,000.00
A. Sena-Claims	234.38	468.75	618.75	234.38	1,321.88
Microsoft - Exchange Email Services	648.13	648.13	648.13	648.13	1,944.39

Inventory Moving and Storage-Armstrong Archives	53.37	53.37	53.37	53.37	160.11
Willow Bend Systems (IT Support)	3,429.60	3,429.60	3,429.60	3,429.60	10,288.80
MegaPath-Telephone Forwarding and Voicemail	41.14	40.90	41.14	41.14	123.18
Answer National-Telemessaging Service	295.00	295.00	295.00	295.00	885.00
Operating Account Bank Charges	12.00	24.00	36.00	12.00	72.00
Texas Treasury 191	0.00	10.17	0.00	0.00	10.17
Texas Treasury APF Account 192	20.51	21.88	21.11	20.51	63.50
Total Other	14,734.13	14,991.80	15,143.10	14,734.13	44,869.03
Sub-Total SDR, Subcontractor & Provider Expenses					
Sub-Total SDR, Subcontractor & Provider Expenses	45,506.98	55,974.83	50,850.68	45,506.98	152,332.49
Liquidation Oversight Allocation					
RLO Allocation	0.00	0.00	0.00	0.00	0.00
Special Master's Fees	0.00	220.00	0.00	0.00	220.00
Total RLO & SM Expense	0.00	220.00	0.00	0.00	220.00
Total Expenses	45,506.98	56,194.83	50,850.68	45,506.98	152,552.49

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**Millennium Title
Statement of Net Assets**

**For the Period Ending
11/30/17**

Line		11/30/17
Cash		
1	Cash	
	Cash - Unrestricted	10,026
	APF Funds (Loan proceeds)	633,918
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	3,094,967
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	3,738,911

NOTES

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**Millennium Title
Statement of Net Assets**

**For the Period Ending
11/30/17**

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

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Millennium Title
Changes in Net Assets for the Quarter Ending

11/30/17

Line		08/31/17	11/30/17	Change
Cash				
1	Cash			
	Cash - Unrestricted	10,011	10,026	15
	APF Funds (Loan proceeds)	688,472	633,918	(54,554)
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	3,092,828	3,094,967	2,139
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		3,791,311	3,738,911	(52,400)

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**Millennium Title
Statement of Net Liabilities**

**For Period Ending
11/30/17**

Line		11/30/17
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	30,773
	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 - Class 2		
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	3,094,967
	Total Liabilities	8,396,485
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,657,574)
	Total Liabilities & Equity	3,738,911

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**Millennium Title
Statement of Net Liabilities**

**For Period Ending
11/30/17**

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

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 Other Loss Claims Reserves - 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 has been advised by TTIGA they will make another attempt to pay these claims.

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

11/30/17

Line		08/31/17	11/30/17	Change
1	Secured Claims			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	50,842	30,773	(20,069)
	Liquidation Oversight	0	0	0
	Special Master's Fees	0	0	0
5	Administrative Claims - Guaranty Assns	0	0	0
	Administrative Expense Paid	472,785	472,785	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	3,573,727	3,573,727	0
	Loss Claims Reserves	0	0	0
8	Loss Claims - Other	0	0	0
	Other Loss Claims Paid	853	853	0
	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	3,092,828	3,094,967	2,139
	Total Liabilities	8,414,415	8,396,485	(17,930)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,623,104)	(4,657,574)	(34,470)
	Total Liabilities & Equity	3,791,311	3,738,911	(52,400)

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**Millennium Title
Sources & Uses of Cash**

**For Period Ending
11/30/17**

	Qtr Ending Nov-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	116,528
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	116,528
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	1,554
Total Cash Receipts	118,082
Disbursements	
SDR Fees & Expenses	60,231
Subcontractor Legal Fees & Expenses	37,231
Subcontractor Other Fees & Expenses	29,422
Non-Subcontractor Fees & Expenses	31,322
Other Expenses	14,195
RLO Fees & Expenses	220
Total Disbursements for Operations	172,621
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	172,621
Net Increase(Decrease) in Cash	(54,539)
Cash at Beginning of Period	698,483
Cash at End of Period	643,944