

Velva L. Price
District Clerk
Travis County
D-1-GN-16-000360
Sandra Henriquez

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, 2018 THROUGH MAY 31, 2018)**

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, 2018 to May 31, 2018. 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,

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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, 2018, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (MARCH 1, 2018 THROUGH MAY 31, 2018) 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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**Millennium Title
Statement of Expenses**

**For Period Ending
05/31/18**

	Total March	Total Apr	Total May	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	10,480.00	5,640.00	3,160.00	19,280.00
Partner/Attorney Travel	1,330.00	0.00	0.00	1,330.00
Partner/Attorney	40.00	120.00	200.00	360.00
Clerical Law	212.50	0.00	0.00	212.50
Expenses	1,795.57	22.57	0.00	1,818.14
Total SDR Billing	13,858.07	5,782.57	3,360.00	23,000.64
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	8,325.00	4,275.00	925.00	13,525.00
Attorney-Travel	750.00	0.00	0.00	750.00
Expenses	4,086.89	2,811.51	316.86	7,215.26
Total Billing	13,161.89	7,086.51	1,241.86	21,490.26
Inquest Resources				
Paralegal	555.00	1,110.00	682.50	2,347.50
Receivership Specialist	990.00	240.00	112.50	1,342.50
Receivership Specialist/ Travel	37.50	0.00	0.00	37.50
Litigation Assistant/Records Mgr	81.00	216.00	121.50	418.50
Litigation Assistant/Records Mgr Travel	29.25	22.50	18.00	69.75
Expenses	249.62	155.28	147.70	552.60
Total Billing	1,942.37	1,743.78	1,082.20	4,768.35
Total Legal Subcontractors	15,104.26	8,830.29	2,324.06	26,258.61
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	684.00	378.00	414.00	1,476.00
Accountant	1,375.50	1,291.50	1,186.50	3,853.50
Expenses	50.80	57.99	39.13	147.92
Total Billing	2,110.30	1,727.49	1,639.63	5,477.42
Abaci, Inc.				
Technical Analyst	63.00	198.00	27.00	288.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	63.00	198.00	27.00	288.00
EMKAY Associates				
Claims Manager/	9.50	9.50	9.50	28.50
Claims Representative/	3,221.50	1,130.50	816.00	5,168.00
Claims Representative	272.00	85.00	85.00	442.00
Expenses	0.00	0.00	0.00	0.00

Total Billing	3,503.00	1,225.00	910.50	5,638.50
Total Other SDR Subcontractors	5,676.30	3,150.49	2,577.13	11,403.92
Receivership Service Providers				
Claims/Administration Support-Contract Personnel				
R. Norton-Admin/Claims/Consulting	5,000.00	5,000.00	5,000.00	15,000.00
A. Sena-Claims	862.50	300.00	468.75	1,631.25
Burns Anderson Jury & Brenner, LLP-Mediation Fee	0.00	800.00	0.00	800.00
Microsoft - Exchange Email Services	1,296.26	0.00	1,296.26	2,592.52
RamQuest-Annual Fee	0.00	2,098.97	0.00	2,098.97
Inventory Moving and Storage-Armstrong Archives	53.37	53.37	53.37	160.11
Willow Bend Systems (IT Support)	2,585.25	2,585.25	2,585.25	7,755.75
MegaPath-Telephone Forwarding and Voicemail	41.23	41.11	41.11	123.45
Answer National-Telemessaging Service	295.00	295.00	295.00	885.00
Operating Account Bank Charges	24.00	0.00	24.00	48.00
Texas Treasury 191	10.15	10.17	10.16	30.48
Texas Treasury APF Account 192	20.88	22.06	21.69	64.63
Total Other	10,188.64	11,205.93	9,795.59	31,190.16
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	44,827.27	28,969.28	18,056.78	91,853.33
Liquidation Oversight Allocation				
RLO Allocation	0.00	0.00	0.00	0.00
Special Master's Fees	0.00	300.00	0.00	300.00
Total RLO & SM Expense	0.00	300.00	0.00	300.00
Total Expenses	44,827.27	29,269.28	18,056.78	92,153.33

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**Millennium Title
Statement of Net Assets**

**For the Period Ending
05/31/18**

Line		05/31/18
Cash		
1	Cash	
	Cash - Unrestricted	10,034
	APF Funds (Loan proceeds)	817,148
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	233,689
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	
	Litigation Settlements	150,000
Other Assets		
21	FF&E	
22	Other Assets	
	Total Assets	1,210,871

NOTES

Ref No.

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

Represents amounts agreed upon in a mediated settlement agreement dated April 19, 2018 with full payment due 20 from all parties no later than July 15, 2018.

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**Millennium Title
Statement of Net Liabilities**

**For Period Ending
05/31/18**

Line		05/31/18
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	8,261
	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	
	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	233,689
	Total Liabilities	5,498,080
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,287,209)
	Total Liabilities & Equity	1,210,871

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**Millennium Title
Statement of Net Liabilities**

**For Period Ending
05/31/18**

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.

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 continue to be reviewed and analyzed in conjunction with TTIGA.

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Millennium Title
Changes in Net Liabilities for the Quarter Ending

05/31/18

Line		02/28/18	05/31/18	Change
1	Secured Claims			
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	47,684	8,261	(39,423)
	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	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	3,028,668	233,689	(2,794,979)
Total Liabilities				
		8,332,482	5,498,080	(2,834,402)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,472,034)	(4,287,209)	184,825
Total Liabilities & Equity				
		3,860,448	1,210,871	(2,649,577)

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**Millennium Title
Sources & Uses of Cash**

**For Period Ending
05/31/18**

	Qtr Ending May-18
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	27,500
Other Receipts	96,653
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	124,153
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	2,826
Total Cash Receipts	126,979
Disbursements	
SDR Fees & Expenses	40,581
Subcontractor Legal Fees & Expenses	44,186
Subcontractor Other Fees & Expenses	15,319
Non-Subcontractor Fees & Expenses	16,482
Other Expenses	14,709
RLO Fees & Expenses	300
Total Disbursements for Operations	131,577
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	131,577
Net Increase(Decrease) in Cash	(4,598)
Cash at Beginning of Period	831,780
Cash at End of Period	827,182