

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, 2018 THROUGH AUGUST 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 June 1, 2018 to August 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,

FULLER LAW GROUP

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Services, L.L.C. d/b/a Millennium Title

CERTIFICATE OF SERVICE

I certify that on September 17th, 2018, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (JUNE 1, 2018 THROUGH AUGUST 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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/s/Christopher Fuller
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**Millennium Title
Statement of Expenses**

For Period Ending
08/31/18

	Total Jun	Total Jul	Total Aug	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	2,900.00	4,440.00	4,580.00	11,920.00
Partner/Attorney Travel	0.00	20.00	0.00	20.00
Expenses	14.30	13.25	4.70	32.25
Total SDR Billing	2,914.30	4,473.25	4,584.70	11,972.25
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	775.00	4,200.00	3,100.00	8,075.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	775.00	4,200.00	3,100.00	8,075.00
Inquest Resources				
Paralegal	187.50	1,275.00	547.50	2,010.00
Receivership Specialist	97.50	247.50	112.50	457.50
Litigation Assistant/Records Mgr	31.50	261.00	139.50	432.00
Litigation Assistant/Records Mgr Travel	13.50	78.75	60.75	153.00
Expenses	214.23	304.57	1,894.56	2,413.36
Total Billing	544.23	2,166.82	2,754.81	5,465.86
Total Legal Subcontractors	1,319.23	6,366.82	5,854.81	13,540.86
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	342.00	468.00	522.00	1,332.00
Accountant	1,029.00	1,102.50	1,512.00	3,643.50
Accountant	0.00	0.00	54.00	54.00
Expenses	28.00	14.22	27.52	69.74
Total Billing	1,399.00	1,584.72	2,115.52	5,099.24
Abaci, Inc.				
Technical Analyst	54.00	99.00	18.00	171.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	54.00	99.00	18.00	171.00
EMKAY Associates				
Claims Manager/	9.50	19.00	9.50	38.00
Claims Representative/	1,028.50	986.00	731.00	2,745.50
Claims Representative	42.50	59.50	110.50	212.50
Expenses	0.00	0.00	0.00	0.00
Total Billing	1,080.50	1,064.50	851.00	2,996.00
Total Other SDR Subcontractors	2,533.50	2,748.22	2,984.52	8,266.24
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	187.50	215.63	93.75	496.88

TTIGA-Division of Proceeds from E&O and Individual Litigation Settlement	88,750.00	0.00	0.00	88,750.00
Microsoft - Exchange Email Services	0.00	648.13	1,296.26	1,944.39
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	40.99	41.02	41.02	123.03
Answer National-Telemessaging Service	295.00	295.00	295.00	885.00
Operating Account Bank Charges	12.00	0.00	0.00	12.00
Texas Treasury 191	10.17	10.16	10.17	30.50
Texas Treasury APF Account 192	22.09	21.72	22.13	65.94
Total Other	96,956.37	8,870.28	9,396.95	115,223.60
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	103,723.40	22,458.57	22,820.98	149,002.95
Liquidation Oversight Allocation				
RLO Allocation	0.00	0.00	0.00	0.00
Special Master's Fees	0.00	180.00	200.00	380.00
Total RLO & SM Expense	0.00	180.00	200.00	380.00
Total Expenses	103,723.40	22,638.57	23,020.98	149,382.95

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**Millennium Title
Statement of Net Assets**

**For the Period Ending
08/31/18**

Line		08/31/18
Cash		
1	Cash	
	Cash - Unrestricted	10,050
	APF Funds (Loan proceeds)	835,688
Investments		
2	Short-Tem 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	
	Surety Bond Claim	50,000
Other Assets		
21	FF&E	
22	Other Assets	
	Total Assets	1,129,427

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.

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**Millennium Title
Statement of Net Assets**

**For the Period Ending
08/31/18**

20 Represents anticipated payment for proof of loss against surety bond policy.

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Millennium Title
Changes in Net Assets for the Quarter Ending

08/31/18

Line		05/31/18	08/31/18	Change
Cash				
1	Cash			
	Cash - Unrestricted	10,034	10,050	16
	APF Funds (Loan proceeds)	817,148	835,688	18,540
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	233,689	233,689	0
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
	Litigation Settlements	150,000	0	(150,000)
	Bond Claims	0	50,000	50,000
Other Assets				
21	FF&E	0	0	0
22	Other Assets	0	0	0
Total Assets		1,210,871	1,129,427	(81,444)

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**Millennium Title
Statement of Net Liabilities**

**For Period Ending
08/31/18**

Line		08/31/18
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	13,424
	Liquidation Oversight	200
	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	5,503,443
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,374,016)
	Total Liabilities & Equity	1,129,427

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**Millennium Title
Statement of Net Liabilities**

**For Period Ending
08/31/18**

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 to 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

08/31/18

Line		05/31/18	08/31/18	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	8,261	13,424	5,163
	Liquidation Oversight	0	200	200
	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	233,689	233,689	0
	Total Liabilities	5,498,080	5,503,443	5,363
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,287,209)	(4,374,016)	(86,807)
	Total Liabilities & Equity	1,210,871	1,129,427	(81,444)

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**Millennium Title
Sources & Uses of Cash**

**For Period Ending
08/31/18**

	Qtr Ending Aug-18
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	61,250
Other Receipts	9,263
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	70,513
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	3,313
Total Cash Receipts	73,826
Disbursements	
SDR Fees & Expenses	10,747
Subcontractor Legal Fees & Expenses	10,010
Subcontractor Other Fees & Expenses	7,859
Non-Subcontractor Fees & Expenses	15,498
Other Expenses	10,976
RLO Fees & Expenses	180
Total Disbursements for Operations	55,270
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	55,270
Net Increase(Decrease) in Cash	18,556
Cash at Beginning of Period	827,182
Cash at End of Period	845,738