

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 <sup>rd</sup> JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND  
SUMMARY STATEMENT OF EXPENSES  
(SEPTEMBER 1, 2018 THROUGH NOVEMBER 30, 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 September 1, 2018 to November 30, 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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Attorney for CANTILO & BENNETT, L.L.P.,  
Special Deputy Receiver of Millennium Closing  
Services, L.L.C. d/b/a Millennium Title

## CERTIFICATE OF SERVICE

I certify that on December 17<sup>th</sup>, 2018, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (SEPTEMBER 1, 2018 THROUGH NOVEMBER 30, 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*  
Christopher Fuller

R-558

**Millennium Title  
Statement of Expenses**

**For Period Ending  
11/30/18**

	Total Sep	Total Oct	Total Nov	Total Quarter
<b>SDR</b>				
Cantilo & Bennett, LLP				
Partner/Attorney/	4,160.00	6,600.00	5,400.00	16,160.00
Partner/Attorney Travel	0.00	0.00	130.00	130.00
Expenses	11.75	0.00	133.78	145.53
<b>Total SDR Billing</b>	<b>4,171.75</b>	<b>6,600.00</b>	<b>5,663.78</b>	<b>16,435.53</b>
<b>SDR Subcontractors - Legal</b>				
Fuller Law Group				
Attorney	700.00	2,150.00	3,625.00	6,475.00
Expenses	0.00	53.28	0.00	53.28
<b>Total Billing</b>	<b>700.00</b>	<b>2,203.28</b>	<b>3,625.00</b>	<b>6,528.28</b>
Inquest Resources				
Paralegal	337.50	1,215.00	1,372.50	2,925.00
Receivership Specialist	187.50	427.50	937.50	1,552.50
Receivership Specialist/ Travel	0.00	0.00	48.75	48.75
Litigation Assistant/Records Mgr	67.50	81.00	346.50	495.00
Litigation Assistant/Records Mgr Travel	11.25	11.25	54.00	76.50
Expenses	77.41	119.85	491.01	688.27
<b>Total Billing</b>	<b>681.16</b>	<b>1,854.60</b>	<b>3,250.26</b>	<b>5,786.02</b>
<b>Total Legal Subcontractors</b>	<b>1,381.16</b>	<b>4,057.88</b>	<b>6,875.26</b>	<b>12,314.30</b>
<b>SDR Subcontractors - Other</b>				
Petrosewicz & Company, Inc				
Accountant-Principal/	648.00	1,026.00	684.00	2,358.00
Accountant	1,165.50	1,092.00	94.50	2,352.00
Accountant	108.00	477.00	1,071.00	1,656.00
Expenses	19.78	16.22	10.61	46.61
<b>Total Billing</b>	<b>1,941.28</b>	<b>2,611.22</b>	<b>1,860.11</b>	<b>6,412.61</b>
Abaci, Inc.				
Technical Analyst	18.00	18.00	18.00	54.00
Expenses	0.00	0.00	0.00	0.00
<b>Total Billing</b>	<b>18.00</b>	<b>18.00</b>	<b>18.00</b>	<b>54.00</b>
EMKAY Associates				
Claims Manager/	9.50	0.00	0.00	9.50
Claims Representative/	1,037.00	816.00	612.00	2,465.00
Claims Representative	59.50	51.00	34.00	144.50
Expenses	0.00	0.00	0.00	0.00
<b>Total Billing</b>	<b>1,106.00</b>	<b>867.00</b>	<b>646.00</b>	<b>2,619.00</b>
<b>Total Other SDR Subcontractors</b>	<b>3,065.28</b>	<b>3,496.22</b>	<b>2,524.11</b>	<b>9,085.61</b>

**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	0.00	900.00	0.00	900.00
Microsoft - Exchange Email Services	648.13	648.13	0.00	1,296.26
Inventory Moving and Storage-Armstrong Archives	53.37	53.37	53.37	160.11
Willow Bend Systems (IT Support)	2,585.25	5,170.50	0.00	7,755.75
MegaPath-Telephone Forwarding and Voicemail	41.02	49.51	49.51	140.04
Answer National-Telemessaging Service	295.00	295.00	295.00	885.00
Operating Account Bank Charges	36.00	12.00	12.00	60.00
Texas Treasury 191	10.17	0.00	10.17	20.34
Texas Treasury APF Account 192	22.14	21.77	22.18	66.09
<b>Total Other</b>	<b>8,691.08</b>	<b>12,150.28</b>	<b>5,442.23</b>	<b>26,283.59</b>

**Sub-Total SDR, Subcontractor & Provider Expenses**

<b>Sub-Total SDR, Subcontractor &amp; Provider Expenses</b>	<b>17,309.27</b>	<b>26,304.38</b>	<b>20,505.38</b>	<b>64,119.03</b>
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**Liquidation Oversight Allocation**

RLO Allocation	0.00	0.00	0.00	0.00
Special Master's Fees	0.00	0.00	140.00	140.00
<b>Total RLO &amp; SM Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>140.00</b>	<b>140.00</b>
<b>Total Expenses</b>	<b>17,309.27</b>	<b>26,304.38</b>	<b>20,645.38</b>	<b>64,259.03</b>

R-558

**Millennium Title  
Statement of Net Assets**

**For the Period Ending  
11/30/18**

Line		11/30/18
<b>Cash</b>		
1	Cash	
	Cash - Unrestricted	10,081
	APF Funds (Loan proceeds)	882,945
<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	220,189
<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	
	Surety Bond Claim	
<b>Other Assets</b>		
21	FF&E	
22	Other Assets	
	<b>Total Assets</b>	<b>1,113,215</b>

**NOTES**

Ref No.

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.

R-558

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

11/30/18

Line		08/31/18	11/30/18	Change
<b>Cash</b>				
1	Cash			
	Cash - Unrestricted	10,050	10,081	31
	APF Funds (Loan proceeds)	835,688	882,945	47,257
<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	233,689	220,189	(13,500)
<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
	Litigation Settlements	0	0	0
	Bond Claims	50,000	0	(50,000)
<b>Other Assets</b>				
21	FF&E	0	0	0
22	Other Assets	0	0	0
<b>Total Assets</b>		<b>1,129,427</b>	<b>1,113,215</b>	<b>(16,212)</b>



R-558

**Millennium Title  
Statement of Net Liabilities**

**For Period Ending  
11/30/18**

Line		11/30/18
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	15,063
	Liquidation Oversight	
	Special Master's Fees	140
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	472,785
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	
	LAE Reserves	
<b>Policy Claims - Class 2</b>		
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	
<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	220,189
	<b>Total Liabilities</b>	5,491,522
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,378,307)
	<b>Total Liabilities &amp; Equity</b>	1,113,215

R-558

**Millennium Title  
Statement of Net Liabilities**

**For Period Ending  
11/30/18**

**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.

R-558

Millennium Title  
Changes in Net Liabilities for the Quarter Ending

11/30/18

Line		08/31/18	11/30/18	Change
1	Secured Claims			
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	13,424	15,063	1,639
	Liquidation Oversight	200	0	(200)
	Special Master's Fees	0	140	140
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
<b>Policy Claims - Class 2</b>				
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
<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	233,689	220,189	(13,500)
	<b>Total Liabilities</b>	5,503,443	5,491,522	(11,921)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,374,016)	(4,378,307)	(4,291)
	<b>Total Liabilities &amp; Equity</b>	1,129,427	1,113,215	(16,212)

R-558

**Millennium Title  
Sources & Uses of Cash**

**For Period Ending  
11/30/18**

	<b>Qtr Ending Nov-18</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	106,246
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
<b>Total Receipts from Assets/Receivables</b>	<b>106,246</b>
Interest & Dividend Receipts, EA Interest	3,723
Cash Deposit Interest	0
<b>Total Cash Receipts</b>	<b>109,969</b>
<b>Disbursements</b>	
SDR Fees & Expenses	15,357
Subcontractor Legal Fees & Expenses	11,294
Subcontractor Other Fees & Expenses	9,546
Non-Subcontractor Fees & Expenses	15,900
Other Expenses	10,384
RLO Fees & Expenses	200
<b>Total Disbursements for Operations</b>	<b>62,681</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>62,681</b>
<b>Net Increase(Decrease) in Cash</b>	<b>47,288</b>
<b>Cash at Beginning of Period</b>	<b>845,738</b>
<b>Cash at End of Period</b>	<b>893,026</b>