

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
(DECEMBER 1, 2018 THROUGH FEBRUARY 28, 2019)**

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 December 1, 2018 to February 28, 2019. 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 March 15, 2019, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (DECEMBER 1, 2018 TO FEBRUARY 28, 2019) 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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R-558

**Millennium Title
Statement of Expenses**

For Period Ending
02/28/19

	Total Dec	Total Jan	Total Feb	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	3,240.00	5,840.00	3,740.00	12,820.00
Receivership Specialist	0.00	84.00	0.00	84.00
Expenses	1,213.07	7.82	6.00	1,226.89
Total SDR Billing	4,453.07	5,931.82	3,746.00	14,130.89
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	350.00	800.00	825.00	1,975.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	350.00	800.00	825.00	1,975.00
Inquest Resources				
Paralegal	0.00	247.50	82.50	330.00
Receivership Specialist	210.00	105.00	22.50	337.50
Litigation Assistant/Records Mgr	18.00	90.00	36.00	144.00
Litigation Assistant/Records Mgr Travel	0.00	22.50	0.00	22.50
Expenses	46.11	80.63	36.05	162.79
Total Billing	274.11	545.63	177.05	996.79
Total Legal Subcontractors	624.11	1,345.63	1,002.05	2,971.79
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	1,512.00	1,512.00	558.00	3,582.00
Accountant	63.00	1,102.50	357.00	1,522.50
Accountant	1,008.00	864.00	594.00	2,466.00
Clerical/	0.00	51.00	0.00	51.00
Expenses	15.73	26.89	26.39	69.01
Total Billing	2,598.73	3,556.39	1,535.39	7,690.51
Abaci, Inc.				
Technical Analyst	99.00	900.00	216.00	1,215.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	99.00	900.00	216.00	1,215.00
EMKAY Associates				
Claims Manager/			9.50	9.50
Claims Representative/	748.00	790.50	382.50	1,921.00
Claims Representative	34.00	59.50	34.00	127.50
Expenses	0.00	0.00	0.00	0.00
Total Billing	782.00	850.00	426.00	2,058.00
Total Other SDR Subcontractors	3,479.73	5,306.39	2,177.39	10,963.51

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
Microsoft - Exchange Email Services	648.13	1,296.26	0.00	1,944.39
Inventory Moving and Storage-Armstrong Archives	53.37	53.37	58.03	164.77
Willow Bend Systems (IT Support)	2,585.25	2,585.25	2,585.25	7,755.75
MegaPath-Telephone Forwarding and Voicemail	0.00	97.62	0.00	97.62
Fusion-Telephone Services	0.00	0.00	48.81	48.81
Answer National-Telemessaging Service	295.00	295.00	295.00	885.00
Operating Account Bank Charges	12.00	12.00	0.00	24.00
Texas Treasury 191	10.17	10.17	22.25	42.59
Texas Treasury APF Account 192	21.81	22.23	10.17	54.21
Total Other	8,625.73	9,371.90	8,019.51	26,017.14

Sub-Total SDR, Subcontractor & Provider Expenses

Sub-Total SDR, Subcontractor & Provider Expenses	17,182.64	21,955.74	14,944.95	54,083.33
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Liquidation Oversight Allocation

RLO Allocation	0.00	0.00	0.00	0.00
Special Master's Fees	0.00	320.00	0.00	320.00
Total RLO & SM Expense	0.00	320.00	0.00	320.00
Total Expenses	17,182.64	22,275.74	14,944.95	54,403.33

R-558

**Millennium Title
Statement of Net Assets**

**For the Period Ending
02/28/19**

Line		02/28/19
Cash		
1	Cash	
	Cash - Unrestricted	131,884
	APF Funds (Loan proceeds)	733,302
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	208,462
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	1,073,648

NOTES

Ref No.

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

R-558

Millennium Title
Changes in Net Assets for the Quarter Ending

02/28/19

Line		11/30/18	02/28/19	Change
Cash				
1	Cash			
	Cash - Unrestricted	10,081	131,884	121,803
	APF Funds (Loan proceeds)	882,945	733,302	(149,643)
Investments				
2	Short-Tem 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	220,189	208,462	(11,727)
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	1,113,215	1,073,648	(39,567)

R-558

**Millennium Title
Statement of Net Liabilities**

**For Period Ending
02/28/19**

Line		02/28/19
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	6,925
	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	208,462
	Total Liabilities	5,471,517
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,397,869)
	Total Liabilities & Equity	1,073,648

R-558

**Millennium Title
Statement of Net Liabilities**

**For Period Ending
02/28/19**

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

02/28/19

Line		11/30/18	02/28/19	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	15,063	6,925	(8,138)
	Liquidation Oversight	0	0	0
	Special Master's Fees	140	0	(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
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	220,189	208,462	(11,727)
		0		
	Total Liabilities	5,491,522	5,471,517	(20,005)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,378,307)	(4,397,869)	(19,562)
	Total Liabilities & Equity	1,113,215	1,073,648	(39,567)

R-558

**Millennium Title
Sources & Uses of Cash**

**For Period Ending
02/28/19**

	Qtr Ending Feb-19
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	30,641
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	30,641
Interest & Dividend Receipts, EA Interest	4,200
Cash Deposit Interest	0
Total Cash Receipts	34,841
Disbursements	
SDR Fees & Expenses	16,049
Subcontractor Legal Fees & Expenses	8,845
Subcontractor Other Fees & Expenses	11,310
Non-Subcontractor Fees & Expenses	15,000
Other Expenses	11,017
RLO Fees & Expenses	460
Total Disbursements for Operations	62,681
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	62,681
Net Increase(Decrease) in Cash	(27,840)
<i>Cash at Beginning of Period</i>	893,026
<i>Cash at End of Period</i>	865,186