

Report for Special Master's Status Conference

April 29, 2019

R-558 Millennium Closing Services, L.L.C. d/b/a Millennium Title

SDR: CANTILO & BENNETT, L.L.P.
Primary Responsible Person: Susan E. Salch
Estate Counsel: Christopher Fuller
Receiver's Counsel: Kimberly M. Hammer
RLO Analyst: Vicente Aguillon

Background on Receivership

- Date of Permanent Injunction (Liquidation): January 25, 2016
- Date of Appointment of SDR: January 26, 2016
- Claims Filing Deadline: November 15, 2016
- States Where Licensed: Texas
- Lines of Business: Title Agency
- Texas Guaranty Association Triggered: Texas Title Insurance Guaranty Association ("TTIGA")
- Date of Impairment: January 25, 2016
- Early Access Distributions: March 5, 2018 \$2,794,967 interim distribution to TTIGA

Statement of Assets and Liabilities as of March 31, 2019

Total Assets:	\$1,076,009
Cash Assets:	\$ 867,547
Escrow Funds:	\$ 208,462
Non-Cash Assets:	\$ 0
Total Liabilities:	\$5,473,203
Negative Equity:	(\$4,397,194)

Asset Recovery through March 31, 2019

Premium Collected:	\$ N/A
Subrogation/Salvage:	\$ N/A
Reinsurance Collected:	\$ N/A
FF&E Sold:	\$ 11,664

Status and Activity Since Last Status Conference

Nancy Carroll Matters: Ms. Carroll continues to serve her ten-year sentence.

401(k) Plan: Distributions from the Plan are completed. The estate's accountant, Tom Petrosewicz, will file a Form 5500 with the IRS for the years 2018 and 2019, and then complete the final dissolution documents.

Tax Returns: Mr. Petrosewicz completed the tax returns for 2015 – 2018. The SDR reviewed and discussed them with Mr. Petrosewicz, and they have been filed.

IT Matters: The SDR and IT subcontractor reviewed IT systems to reduce costs as the estate moves toward closing. To that end, the license count for the Willowbend server was reduced, resulting in a \$650 monthly savings. Subscriptions for Microsoft Office 365 were also reduced, saving more than \$475 per month. Finally, upon renewal, the estate's RamQuest licenses were reduced resulting in a credit of \$861.

Asset Recovery Activity

Cost Sharing with TTIGA: The SDR and TTIGA continue to work under a cost-sharing agreement similar to the agreements reached in prior title agency estates.

Claims Activities

Filing Deadline: The deadline for creditors to file claims with both the SDR and TTIGA was November 15, 2016. No new claims were filed in the last quarter.

SDR Claims:

Unclaimed Escrow Funds: The SDR holds \$113,071 in escrow funds for which no claim was filed with either the estate or TTIGA. After consultations with RLO the SDR has submitted a proposed application to resolve the handling of these funds, which is under review.

Escrow Distributions: In April, the SDR distributed escrow funds to the fee attorneys and underwriters for earned premium fees.

POCs: As of the date of this report, there are five unadjudicated POCs, each of which involve claims to funds held in escrow. However, the claimants have not submitted sufficient documentation of their claims and/or releases to enable the SDR to distribute the money. The SDR anticipates filing an interpleader action to resolve the claims. The funds in question are not part of the "Unclaimed Escrow Funds," described above. The underwriter and fee attorney POCs were resolved in connection with the distribution of escrow funds described above.

TTIGA POC: On February 11, 2019, TTIGA's POC was approved.

General Legal Activities

Litigation Report: There are no active third-party lawsuits involving the SDR or Millennium Title.

Judgments Report: In February, the SDR responded to RLO's request to report on the status of all judgments held by the estate.

Conclusion

Summary of Major Achievements:

- Adjudicated underwriter and fee attorney POCs and issued Notices of Determination.
- Filed Tax Returns for 2015-2018.
- Reduced estate licensing and subscription expenses with Willowbend, Microsoft Office 365, and RamQuest.

Estate Goals to achieve prior to next Status Conference:

- File interpleader action to resolve remaining POCs.
- File application to complete handling of unclaimed escrow funds.
- File Report of Claims.

Estimated Closing Date of Receivership: Fall 2019

Identification of Factors Affecting Closing Date and Final Distribution:

- Interpleader of Remaining POCs
- Resolving any POC Appeals
- 2019 Tax Return
- Federal Waiver of Claims