

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, 2019 THROUGH MAY 31, 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 March 1, 2019 to May 31, 2019. The attached report is filed pursuant to TEX. INS. CODE ANN., §§ 443.015(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 17, 2019, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (MARCH 1, 2019 TO MAY 31, 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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**Millennium Title
Statement of Expenses**

**For Period Ending
05/31/19**

	Total March	Total Apr	Total May	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	4,920.00	6,180.00	4,480.00	15,580.00
Partner/Attorney Travel	0.00	0.00	20.00	20.00
Partner/Attorney	0.00	0.00	60.00	60.00
Receivership Specialist	72.00	0.00	72.00	144.00
Expenses	20.49	24.68	12.00	57.17
Total SDR Billing	5,012.49	6,204.68	4,644.00	15,861.17
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	1,700.00	3,575.00	850.00	6,125.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	1,700.00	3,575.00	850.00	6,125.00
Inquest Resources				
Paralegal	22.50	52.50	15.00	90.00
Receivership Specialist	105.00	142.50	22.50	270.00
Litigation Assistant/Records Mgr	36.00	9.00	9.00	54.00
Litigation Assistant/Records Mgr Travel	40.50	0.00	0.00	40.50
Expenses	92.18	36.05	36.05	164.28
Total Billing	296.18	240.05	82.55	618.78
Total Legal Subcontractors	1,996.18	3,815.05	932.55	6,743.78
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	504.00	630.00	450.00	1,584.00
Accountant	105.00	514.50	42.00	661.50
Accountant	621.00	576.00	666.00	1,863.00
Clerical/	39.00	0.00	0.00	39.00
Expenses	17.67	41.98	22.74	82.39
Total Billing	1,286.67	1,762.48	1,180.74	4,229.89
Abaci, Inc.				
Technical Analyst	18.00	135.00	513.00	666.00
Expenses		0.00	0.00	0.00
Total Billing	18.00	135.00	513.00	666.00
EMKAY Associates				
Claims Manager/	9.50	0.00	0.00	9.50
Claims Representative/	204.00	714.00	467.50	1,385.50
Claims Representative	85.00	102.00	144.50	331.50
Expenses	0.00	0.00	0.00	0.00
Total Billing	298.50	816.00	612.00	1,726.50
Total Other SDR Subcontractors	1,603.17	2,713.48	2,305.74	6,622.39
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	590.63	0.00	590.63
Microsoft - Exchange Email Services	17.06	17.06	17.06	51.18
RamQuest-Annual Fee	0.00	1,291.42	0.00	1,291.42

Inventory Moving and Storage-Armstrong Archives	58.03	58.03	58.03	174.09
Willow Bend Systems (IT Support)	2,585.25	2,585.25	2,585.25	7,755.75
Fusion-Telephone Services	48.81	48.57	48.57	145.95
Answer National-Telemessaging Service	295.00	295.00	295.00	885.00
US Treasury 2016 FUTA	2,624.39	0.00	0.00	2,624.39
Operating Account Bank Charges	24.00	12.00	12.00	48.00
Texas Treasury 191	10.16	10.17	10.17	30.50
Texas Treasury APF Account 192	21.09	22.30	21.92	65.31
Total Other	10,683.79	9,930.43	8,048.00	28,662.22
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	19,295.63	22,663.64	15,930.29	57,889.56
Liquidation Oversight Allocation				
RLO Allocation	0.00	0.00	0.00	0.00
Special Master's Fees	0.00	80.00	80.00	160.00
Total RLO & SM Expense	0.00	80.00	80.00	160.00
Total Expenses	19,295.63	22,743.64	16,010.29	58,049.56

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**Millennium Title
Statement of Net Assets**

**For the Period Ending
05/31/19**

Line		05/31/19
Cash		
1	Cash	
	Cash - Unrestricted	115,538
	APF Funds (Loan proceeds)	737,567
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	184,366
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	1,037,471

NOTES

Ref No.

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

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Millennium Title
Changes in Net Assets for the Quarter Ending

05/31/19

Line		02/28/19	05/31/19	Change
Cash				
1	Cash			
	Cash - Unrestricted	131,884	115,538	16,346
	APF Funds (Loan proceeds)	733,302	737,567	(4,265)
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	208,462	184,366	24,096
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	1,073,648	1,037,471	36,177

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**Millennium Title
Statement of Net Liabilities**

**For Period Ending
05/31/19**

Line		05/31/19
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	7,882
	Liquidation Oversight	
	Special Master's Fees	80
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	184,366
	Total Liabilities	5,448,458
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,410,987)
	Total Liabilities & Equity	1,037,471

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**Millennium Title
Statement of Net Liabilities**

**For Period Ending
05/31/19**

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.

- 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.

- 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

05/31/19

Line		02/28/19	05/31/19	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	6,925	7,882	957
	Liquidation Oversight	0	0	0
	Special Master's Fees	0	80	80
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	208,462	184,366	(24,096)
	Total Liabilities	5,471,517	5,448,458	(23,059)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,397,869)	(4,410,987)	(13,118)
	Total Liabilities & Equity	1,073,648	1,037,471	(36,177)

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**Millennium Title
Sources & Uses of Cash**

**For Period Ending
05/31/19**

	Qtr Ending May-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	40,571
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	40,571
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	4,362
Total Cash Receipts	44,933
Disbursements	
SDR Fees & Expenses	14,963
Subcontractor Legal Fees & Expenses	6,813
Subcontractor Other Fees & Expenses	6,493
Non-Subcontractor Fees & Expenses	15,591
Other Expenses	13,074
RLO Fees & Expenses	80
Total Disbursements for Operations	57,014
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	57,014
Net Increase(Decrease) in Cash	(12,081)
<i>Cash at Beginning of Period</i>	865,186
<i>Cash at End of Period</i>	853,105