

Velva L. Price
District Clerk
Travis County
D-1-GN-16-000360
Kyla Crumley

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
(SEPTEMBER 1, 2019 THROUGH NOVEMBER 30, 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 September 1, 2019 to November 30, 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,

FULLER LAW GROUP

By: /s/Christopher Fuller
Christopher Fuller
State Bar No. 07515500
4612 Ridge Oak Drive
Austin, Texas 78731
Telephone: (512) 470-9544
Email: cfuller@fullerlaw.org

**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 16, 2019, a true and correct copy of this SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (SEPTEMBER 1, 2019 TO NOVEMBER 30, 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.

Via e-Mail: specialmasterclerk@tdi.texas.gov

Special Master's Clerk
TEXAS DEPARTMENT OF INSURANCE
Rehabilitation & Liquidation Oversight
PO Box 149104
Austin, TX 78714-9104

Via e-Service: James.Kennedy@tdi.texas.gov

James Kennedy
TEXAS DEPARTMENT OF INSURANCE
PO Box 149104
Austin, TX 78714-9104

Via e-Service: Kimberly.Hammer@tdi.texas.gov

Kimberly Hammer
TEXAS DEPARTMENT OF INSURANCE
PO Box 149104
Austin, TX 78714-9104

Via e-Mail: Vicente.Aguillon@tdi.texas.gov

Vicente Aguillon
TEXAS DEPARTMENT OF INSURANCE
Rehabilitation & Liquidation Oversight
PO Box 149104
Austin, TX 78714-9104

Via e-Service: Cynthia.Morales@oag.texas.gov

Cynthia Morales
Assistant Attorney General
Financial, Litigation, Tax, & Charitable Trusts
OFFICE OF THE TEXAS ATTORNEY GENERAL
P.O. Box 12548
Austin, TX 78711-2548

Via e-Service: rachel.obaldo@oag.texas.gov

Rachel Obaldo
Assistant Attorney General
Bankruptcy and Collections Division
OFFICE OF THE TEXAS ATTORNEY GENERAL
P.O. Box 12548
Austin, TX 78711-2548

Via First Class Mail

INTERNAL REVENUE SERVICE
Special Procedures Branch
300 East 8th Street, Suite 352
Mail Stop 5026AUS
Austin, Texas 78701

Via First Class Mail

INTERNAL REVENUE SERVICE
Centralized Insolvency Operation
P.O. Box 7346
Philadelphia, PA 19101-7346

Via e-Service: Kergin@burtonhyde.com

Kergin B. Bedell
BURTON & HYDE, PLLC
311 West 5th Street, Suite 100
Austin, TX 78701

Via e-Service: jason@vandykelawfirm.com

Jason Lee Van Dyke
THE VAN DYKE LAW FIRM
200 Chisholm Place #250
Plano, TX 75075
Counsel for Maverick Title of Texas, LLC

Via e-Service: kyelkin@gardere.com

Kimberly A. Yelkin
GARDERE WYNNE SEWELL LLP
3000 One American Center
600 Congress Avenue
Austin, TX 78701

Via e-Service: bburner@mwlaw.com

Burnie Burner
MITCHELL WILLIAMS
500 W. 5th Street Suite 1150
Austin, TX 78701
Counsel for Texas Title Insurance Guaranty Association

Via e-Service: brad@hrrpc.com

Brad Repass
HAYNIE, RAKE, REPASS & KLIMKO, P.C.
14643 Dallas Parkway, Suite 550
Dallas, TX 75254
Counsel for Scott Schambacher, Avondale Development Group, 1601 AF Ltd. and Affiliates

Via e-Service: phil@philmeyerlaw.com

Philip A. Meyer
CityCentre One
800 Town and Country Blvd., Suite 300
Houston, TX 77024
Counsel for First Funding Investments, Inc. and HBAM Properties, LLC

Via e-Service: sam@scarterlawfirm.com

Howard F. Carter, Jr.
THE CARTER LAW FIRM
HOWARD F. CARTER, JR. P.C.
8750 N. Central Expressway, Suite 625
Dallas, TX 75231
Counsel for Peniel Holdings, LLC

Via e-Service: mark@strombergstock.com

Mark Stromberg
STROMBERG STOCK, PLLC
8750 N. Central Expressway, Suite 625
Dallas, TX 75231
Counsel for Peniel Holdings, LLC

Via e-Service: ehill@murphy-hill.com

Eric C. Hill
MURPHY-HILL LAW GROUP
302 W. Commerce Street, Ste 200
Dallas, TX 75208
Counsel for Miriam Gray

Via e-Service: tmcdaniel@imtexaslaw.com

Via e-Service: jbrown@imtexaslaw.com
Via e-Service: gstory@imtexaslaw.com
Timothy M. McDaniel
Jeremy T. Brown
IRELAN MCDANIEL, PLLC
14440 N. Central Expressway, Suite 800
Dallas, TX 75231
Counsel for Leirana Investments, LLC

Via e-Service: rsimon@whitakerchalk.com

Robert A. Simon
WHITAKER, CHALK, SWINDLE & SCHWARTZ PLLC
301 Commerce St., Suite 3500
Fort Worth, TX 76102-4135
Counsel for Scott Schambacher and 1601 AF, Ltd.

Via e-Mail: scott@sterlingdfw.com

Scott Schambacher
5751 Kroger Dr., Suite 293
Kelly, Texas 76244

Via e-Service: susan@susanrosslaw.com
1601 AF, LTD.
c/o Susan Ross – Registered Agent
700 West Harwood Road, Suite C
Hurst, Texas 76054

Via e-Service: rprice@canteyhanger.com
Randall K. Price
CANTEY HANGER LLP
1999 Bryan Street, Suite 3300
Dallas, TX 75201
*Counsel for WFG National Title Insurance
Company*

Via First Class Mail
WFG NATIONAL TITLE INSURANCE COMPANY
c/o C T Corporation System – Registered agent
1999 Bryan Street, Suite 900
Dallas TX 75201

Via e-Service: jkoepke@jw.com
John A. Koepke
JACKSON WALKER L.L.P.
2323 Ross Avenue, Suite 600
Dallas, Texas 75201
Attorneys for Alliant National Title Insurance

/s/Christopher Fuller
Christopher Fuller

R-558

**Millennium Title
Statement of Expenses**

**For Period Ending
11/30/19**

	Total Sep	Total Oct	Total Nov	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney/	1,720.00	6,820.00	3,640.00	12,180.00
Receivership Specialist	24.00	96.00	48.00	168.00
Expenses	10.00	7.00	8.00	25.00
Total SDR Billing	1,754.00	6,923.00	3,696.00	12,373.00
SDR Subcontractors - Legal				
Fuller Law Group				
Attorney	900.00	2,275.00	3,875.00	7,050.00
Expenses	124.00	0.00	0.00	124.00
Total Billing	1,024.00	2,275.00	3,875.00	7,174.00
Inquest Resources				
Paralegal	7.50	285.00	150.00	442.50
Receivership Specialist	120.00	150.00	60.00	330.00
Litigation Assistant/Records Mgr	18.00	54.00	81.00	153.00
Expenses	41.25	77.85	48.75	167.85
Total Billing	186.75	566.85	339.75	1,093.35
Total Legal Subcontractors	1,210.75	2,841.85	4,214.75	8,267.35
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/	504.00	252.00	324.00	1,080.00
Accountant	231.00	0.00	0.00	231.00
Accountant	801.00	666.00	630.00	2,097.00
Expenses	13.80	11.64	13.63	39.07
Total Billing	1,549.80	929.64	967.63	3,447.07
Abaci, Inc.				
Technical Analyst	63.00	279.00	180.00	522.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	63.00	279.00	180.00	522.00
EMKAY Associates				
Claims Manager/	0.00	0.00	0.00	0.00
Claims Representative/	510.00	297.50	459.00	1,266.50
Claims Representative	42.50	59.50	102.00	204.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	552.50	357.00	561.00	1,470.50
Total Other SDR Subcontractors	2,165.30	1,565.64	1,708.63	5,439.57
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	17.06	17.06	17.06	51.18
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	49.47	49.56	49.56	148.59
Answer National-Telemessaging Service	295.00	295.00	295.00	885.00
Harland Clarke-Check stock	0.00	0.00	202.85	202.85
Operating Account Bank Charges	12.00	12.00	24.00	48.00
Texas Treasury 191	0.00	10.17	0.00	10.17
Texas Treasury APF Account 192	0.00	44.42	0.00	44.42
Total Other	8,016.81	8,071.49	8,231.75	24,320.05
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	13,146.86	19,401.98	17,851.13	50,399.97
Liquidation Oversight Allocation				
RLO Allocation	0.00	0.00	0.00	0.00
Special Master's Fees	160.00	0.00	0.00	160.00
Total RLO & SM Expense	160.00	0.00	0.00	160.00
Total Expenses	13,306.86	19,401.98	17,851.13	50,559.97

R-558

**Millennium Title
Statement of Net Assets**

**For the Period Ending
11/30/19**

Line		11/30/19
Cash		
1	Cash	
	Cash - Unrestricted	77,268
	APF Funds (Loan proceeds)	734,770
Investments		
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	
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	996,404

NOTES

Ref No.

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

R-558

Millennium Title
Changes in Net Assets for the Quarter Ending

11/30/19

Line		08/31/19	11/30/19	Change
Cash				
1	Cash			
	Cash - Unrestricted	92,164	77,268	14,896
	APF Funds (Loan proceeds)	731,472	734,770	(3,298)
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	184,366	184,366	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
Other Assets				
21	FF&E	0	0	0
22	Other Assets	0	0	0
	Total Assets	1,008,002	996,404	11,598

R-558

**Millennium Title
Statement of Net Liabilities**

**For Period Ending
11/30/19**

Line		11/30/19
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	9,619
	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	184,366
	Total Liabilities	5,450,115
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,453,711)
	Total Liabilities & Equity	996,404

R-558

**Millennium Title
Statement of Net Liabilities**

**For Period Ending
11/30/19**

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.

R-558

Millennium Title
Changes in Net Liabilities for the Quarter Ending

11/30/19

Line		08/31/19	11/30/19	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	7,752	9,619	1,867
	Liquidation Oversight	0	0	0
	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	184,366	184,366	0
	Total Liabilities	5,448,248	5,450,115	1,867
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(4,440,246)	(4,453,711)	(13,465)
	Total Liabilities & Equity	1,008,002	996,404	(11,598)

R-558

**Millennium Title
Sources & Uses of Cash**

**For Period Ending
11/30/19**

	Qtr Ending Nov-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	33,705
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	33,705
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	3,389
Total Cash Receipts	37,094
Disbursements	
SDR Fees & Expenses	11,997
Subcontractor Legal Fees & Expenses	6,870
Subcontractor Other Fees & Expenses	5,346
Non-Subcontractor Fees & Expenses	15,000
Other Expenses	9,319
RLO Fees & Expenses	160
Total Disbursements for Operations	48,692
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	48,692
Net Increase(Decrease) in Cash	(11,598)
Cash at Beginning of Period	823,636
Cash at End of Period	812,038