

Status Report for Special Master

July 22, 2020

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 Distribution: March 5, 2018, \$2,794,967 interim distribution to TTIGA

Statement of Assets and Liabilities as of June 30, 2020

Total Assets:	\$ 939,773
Cash Assets:	\$ 876,458
Escrow Funds:	\$ 63,295
Non-Cash Assets:	\$ 0
Total Liabilities:	\$5,326,258
Negative Equity:	(\$4,386,485)

Asset Recovery through June 30, 2020

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

Status and Activity Since Last Status Conference

Status Report: While the Special Master advised at the January Status Conference that he would no longer require a written report for this estate, the SDR planned to update the

Special Master regarding the estate's tax issues and closing status at subsequent conferences. In light of the suspension of in-person Status Conferences, the SDR provides this Status Report.

COVID-19 Response: The SDR and estate employees continue to work remotely, although a small staff supports the SDR's Minimum Basic Operations in compliance with the State of Texas' and City of Austin's guidance. Mail, faxes, voice mail messages, and e-mails are forwarded as needed to the responsible estate employee or subcontractor as usual.

The following notice is posted on the estate web site, www.millenniumtitlesdr.com:

The SDR has developed contingency plans to address potential sources of disruption in our work due to the spread of COVID-19. At this time, the SDR's team does not expect significant delays in responding to inquiries. Our intention is to continue to serve the needs of policyholders, claimants, creditors, regulators, and guaranty associations while keeping our employees safe. Please note, due to the pandemic, the Special Master will not hold in-person Status Conferences in July 2020. The SDR will file a quarterly status report on July 22, 2020. We will update this web site as conditions warrant. Thank you for your patience and understanding.

As of the date of this report, the SDR, staff, and contractors all report that they and their immediate family members are healthy. As more fully described herein, the estate is continuing to function with no delays.

Federal Release Request: The SDR received, executed, and returned a Release Agreement with the United States in early June 2020.

Nancy Carroll Matters: Ms. Carroll remains incarcerated.

Tax Returns: All tax returns, including 2019, have been filed. The returns for 2017, 2018, and 2019 have been accepted. However, the IRS raised an issue concerning the SDR filing the 2016 return as a corporation. The SDR submitted a request for a Private Letter Ruling ("PLR") on the question in April and conferred with IRS representatives in July. At the IRS's request, an amended PLR request will be submitted.

Consultants: All consultants' contracts have been terminated.

Subpoenas: Effective January 1, 2020, the SDR no longer accepts subpoenas for records. A notice to that effect is posted on the SDR's web site.

Annual Assessment, Key Events Timeline: The SDR submitted its Annual Assessment of Receivership Progress and Annual Key Objectives Timeline on May 29, 2020.

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 transferred \$113,071 from the estate escrow account to the estate operating account pursuant to the order granting the SDR's unclaimed escrow funds application. At closing, all funds remaining in the escrow account will be distributed to TTIGA or transferred to the Commissioner as unclaimed funds.

POCs: All POCs have been adjudicated. The SDR distributed the money sought in the last five POCs claiming funds held in the escrow account in accordance with the order granting the SDR's application to award or interplead funds. The funds were paid to the claimants identified in the order or deposited in the court's registry.

General Legal Activities

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

Conclusion

Summary of Major Achievements:

- Obtained Federal Waiver of Claims.
- Began closing activities.
- Filed 2019 tax return.
- Filed PLR request on 2016 tax return issue.

Estate Goals to achieve prior to next Status Conference:

- Resubmit request and obtain PLR on 2016 tax return issue.
- Continue closing activities not contingent upon resolution of IRS issue.

Estimated Closing Date of Receivership: Fourth quarter 2020.

Factors Affecting Closing Date and Final Distribution:

- IRS PLR request for 2016 tax return.
- Closing tax return.
- Timing of submission and approval of Distribution and Closing Applications.