

Status Report for Special Master

October 27, 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 September 30, 2020

Total Assets:	\$ 916,750
Cash Assets:	\$ 853,455
Escrow Funds:	\$ 63,295
Non-Cash Assets:	\$ 0
Total Liabilities:	\$5,330,653
Negative Equity:	(\$4,413,903)

Asset Recovery through September 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 estate continues to function during the pandemic with no delays. The SDR and estate employees are working 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.

Nancy Carroll Matters: Ms. Carroll remains incarcerated. In August 2020, the SDR learned that Nancy Carroll's case will go before the Texas Board of Pardons and Paroles again in the next two to four months. The purpose of the review is to decide whether she should be released to serve the remainder of her sentence under the supervision of a parole officer. TTIGA wrote the board to oppose her release again and has asked to speak with the board during the review. The SDR submitted a letter stating that Ms. Carroll has failed to pay any of the required restitution and opposing her release.

Tax Returns: The SDR awaits a decision from the IRS on the 2016 return. The returns for 2017, 2018, and 2019 have been accepted for filing by the Service. 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 was submitted in August and supplemented in September.

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.

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 have been filed in the last two years.

SDR Claims:

POCs: All POCs have been adjudicated.

Unclaimed Escrow Funds: At closing, all funds remaining in the escrow account will be distributed to TTIGA or transferred to the Commissioner as unclaimed funds.

General Legal Activities

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

Conclusion

Summary of Major Achievements:

- Filed amended PLR request and supplemented same in response to questions from the IRS.

Estate Goals to achieve prior to next Status Conference:

- Confirm IRS acceptance of the filed 2016 return.
- File Application to Make Final Distribution and Destroy Records.

Estimated Closing Date of Receivership: First quarter 2021.

Factors Affecting Closing Date and Final Distribution:

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