

## Status Report for Special Master

October 26, 2021

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

#### Statement of Assets and Liabilities as of September 30, 2021

Total Assets:	\$ 852,912
Cash Assets:	\$ 789,617
Escrow Funds:	\$ 63,295
Non-Cash Assets:	\$ 0
Total Liabilities:	\$5,329,551
Negative Equity:	(\$4,476,639)

#### Asset Recovery through September 30, 2021

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

#### Status and Activity Since Last Status Conference

**Distribution Application Status:** The SDR submitted the Distribution Application, order, and supporting exhibits to RLO and OFC on September 17, 2021. TDI is completing its review.

**Closing Document Handling:** The SDR remains ready to conclude the handling of estate records, including electronic records, upon Receivership Court approval of the Distribution Application.

**COVID-19 Response:** The estate has functioned without delays during the pandemic.

**Nancy Carroll:** The Texas Board of Pardons and Paroles denied Ms. Carroll's most recent request for early release. She remains scheduled to be released on December 31, 2021. The SDR and TTIGA submitted letters to the Board in opposition to her release.

**IRS Issues:** The SDR still awaits written confirmation of the oral notice that the IRS has accepted the re-filed 2016 return. The estate accounting and tax subcontractor, Mr. Tom Petrosewicz, has renewed his request for an update on when to expect the written confirmation.

On October 12, 2021, the SDR received a notice from the IRS that the Form 5500 for tax year 2019 had not been filed for Millennium's retirement plan. The matter has been turned over to Mr. Petrosewicz. He will respond to the IRS inquiry when he follows up regarding the 2016 return.

In early September, the IRS notified the SDR that it was extending the deadline to consider the requests for prompt determination on the returns for years 2017 through 2020 by sixty (60) days. Later in September, the IRS notified the SDR that no further action was required for the 2017, 2018, 2019, and 2020 returns. The Form 4810 Prompt Determination Request for 2016 will be re-filed with the IRS upon receipt of the 2016 acceptance letter.

### **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**

**POCs:** The deadline for creditors to file claims with both the SDR and TTIGA was November 15, 2016. All POCs have been adjudicated. No new claims have been filed in the last two years.

**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:**

- Submitted draft Distribution Application and exhibits to RLO/OFC.
- Received prompt assessments from the IRS for all federal tax returns except 2016.

### **Estate Goals to Achieve Prior to next Status Conference:**

- Obtain written confirmation from IRS of its acceptance of the 2016 federal tax return.
- File Application to Make Final Distribution and Destroy Records.
- Re-file request for prompt assessment of 2016 federal tax return within the three-year statute of limitations.

**Estimated Closing Date of Receivership:** First Quarter 2022.

### **Factors Affecting Closing Date and Final Distribution:**

- IRS written acceptance of the re-filed 2016 tax return.
- Timing of submission and approval of Distribution and Closing applications.