

**Status Report for Special Master
July 26, 2022**

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: Kathy Gartner

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
- Order Granting SDR's Application to Make Final Distribution and Destroy Records: February 16, 2022

Statement of Assets and Liabilities as of June 30, 2022

Total Assets:	\$ 751,063
Cash Assets:	\$ 730,535
Segregated Funds:	\$ 15,804
Receivables (TTIGA):	\$ 4,724
Total Liabilities:	\$5,280,387
Negative Equity:	(\$4,529,324)

Asset Recovery through June 30, 2022

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

Status and Activity Since Last Status Conference

Estate Termination and Closing: The receivership estate of Millennium Title is ready to close except for the formal confirmation from the Internal Revenue Service ("IRS") that it

has accepted the 2016 tax return. Although the return was filed in November 2020 as authorized by an IRS Private Letter Ruling (“PLR”), the IRS has not acknowledged that it has “processed” the return.

On March 2, 2022, Mr. Petrosewicz filed the 2021 tax return. No taxes were due. The IRS has confirmed that no additional action is required for tax years 2017, 2018, 2019, and 2020.

The SDR and the estate's accountant are continuing to contact the IRS about the 2016 tax return.

Nancy Carroll: Ms. Carroll remains in prison. The Texas Court of Criminal Appeals denied her motion for writ of habeas corpus on January 26, 2022. Ms. Carroll’s next parole review date is November 2022. Both the SDR and TTIGA have sent letters to the parole board objecting to her release. If she is not paroled earlier, her projected release date is November 28, 2027.

Closing Document Handling: With the exception of the records that go to TDI at closing and the materials needed to close the estate, the SDR has caused the destruction of all other documents, materials, and data pursuant to the authorization in the Distribution Order. A notice of termination was issued to IT vendor, Willowbend, and Millennium Title’s closing files data was removed from its servers effective May 5, 2022.

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. As of the date of this report, TTIGA is current with its obligations.

Claims Activities

Unclaimed Escrow Funds: Pursuant to the Distribution Order, all funds remaining in the escrow account have been distributed to TTIGA or transferred to the Commissioner as unclaimed funds. The escrow account will close at the end of July.

General Legal Activities

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

Conclusion

Summary of Major Achievements:

- Transferred escrow funds to TTIGA and the Commissioner pursuant to the Distribution Order.

Estate Goals to Achieve Prior to next Status Conference:

- Obtain written confirmation from IRS of its acceptance of the 2016 federal tax return.
- Re-file request for prompt assessment of 2016 federal tax return within the three-year statute of limitations.
- Subject to IRS action outlined above, file Closing Application.

Estimated Closing Date of Receivership: Subject to IRS action, 2022.

Factors Affecting Closing Date and Final Distribution:

- IRS written acceptance of the PLR approved (and now twice re-filed) 2016 tax return.
- Timing of submission and approval of Closing Application.