

NO. D-1-GV-08-001572

STATE OF TEXAS,
Plaintiff

v.

ESQUIRE TITLE, LLC,
Defendant

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

261st JUDICIAL DISTRICT

FIRST SUPPLEMENT TO APPLICATION FOR APPROVAL OF FEES AND EXPENSES

TO THE HONORABLE JUDGE OF SAID COURT:

Comes now Cantilo & Bennett, L.L.P., Special Deputy Receiver of Esquire Title, LLC (the “SDR” and “Esquire” respectively), and files this *First Supplement to its Application For Approval of Fees and Expenses* (the “Application”).

I. BACKGROUND

1. Esquire was placed in receivership in this proceeding on July 22, 2008. The Court entered a Permanent Injunction and Order Appointing Permanent Receiver on July 22, 2008 appointing the Texas Commissioner of Insurance as Permanent Receiver. The Receiver designated Cantilo & Bennett, L.L.P., as SDR of Esquire effective as of September 15, 2008. On June 23, 2009 the SDR filed its *Application for Approval of Fees and Expenses* (the “Application”).

2. The Special Deputy Receiver is authorized to file the Application pursuant to TEX. INS. CODE ANN. §443.151, which provides that the SDR is to conduct the business of the estate. The subject matter of this Application has been referred to the Special Master appointed in this proceeding in accordance with Paragraph III of the Order of Reference to Master entered on August 22, 2008.

II. BASIS FOR APPLICATION

3.1 TEX. INS. CODE § 443.015(c)(1) requires the Receiver to submit an application for the approval of the terms of compensation of an SDR or contractor when the Receiver reasonably expects that the total amount of compensation to be paid over the course of the proceeding will exceed Two Hundred and Fifty Thousand Dollars (\$250,000), or such another amount established by the Court. In addition, TEX. INS. CODE § 443.015 (d) permits the Receiver, at his discretion, to submit an application to approve any compensation, anticipated expenses, or incurred expenses not described by Subsection (c)(1).

3.2 The SDR files this supplement to the *Application for Approval of Fees and Expenses*. The purpose of this supplement is solely to correct the original Exhibit A. The correct Exhibit A is attached hereto. There are no other changes to the Application.

PRAYER

WHEREFORE, PREMISES CONSIDERED, the Special Deputy Receiver respectfully requests this Court to grant this Application, as supplemented, and grant such further relief to which it may show itself to be justly entitled.

Respectfully submitted,

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And

By: /Jo Ann Howard/
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Special Deputy Receiver of Esquire Title, LLC

CERTIFICATE OF SERVICE

I certify that on July 20, 2009, a true and correct copy of this Application was served pursuant to the Order of Reference, the Texas Rules of Civil Procedure and TEX. INS. CODE ANN. SEC. 443.007(d) on the following by regular mail, except as specifically noted.

/Christopher Fuller/
Christopher Fuller

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Regulatory Enforcement Division
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Internal Revenue Service
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**EXHIBIT A
ESQUIRE TITLE COMPANY, LLC**

FEE SCHEDULE

NAME	POSITION	HOURLY RATE
<u>Special Deputy Receiver</u>		
Cantilo & Bennett, L.L.P.		
	Primary Responsible Person	\$150.00
	Partners (2)	\$150.00
	Associate I (2)	\$125.00
	Associate II (2)*	\$120.00
	Senior Receivership Specialist	\$100.00
	Receivership Specialist(s)	\$ 90.00
	Administrative/Clerical	\$ 30.00

*One associate is taking the July 2009 Texas State Bar Exam. The associate will be billed at the Receivership Specialist rate until licensed, at which time the Associate II rate will apply.

Legal Subcontractors

Jo Ann Howard & Associates, P.C.

Senior Legal Specialist (2)	\$200.00
Junior Legal Specialist	\$175.00
Investment Specialist	\$175.00
Paralegal	\$ 90.00
Administrative Manager/Records Technician	\$ 90.00
Receivership Administrative Assistant	\$ 90.00
Legal Assistant & Records Specialist	\$ 90.00
Receivership Specialist	\$ 90.00

Law Office of Hubert Bell, Jr.

Attorneys (3)	\$165.00
Paralegal	\$ 60.00
Support Staff	\$ 35.00

Accounting/Tax Subcontractors

Petrosewicz & Company, Inc.

Principals (2)	\$150.00
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Staff Accountant I	\$125.00
Staff Accountant II	\$120.00
Staff Accountant III	\$ 95.00
Staff Accountant IV	\$ 90.00
Staff Accountant V	\$ 80.00
Support Staff	\$ 70.00
Clerical	\$ 25.00

The Warren Group

Certified Public Accountant	\$150.00
Preparation of income tax return* (*excluding answering IRS correspondence, filing additional tax forms, and examination by the IRS).	\$1950.00

Portia Haggerty, P.C.

Certified Public Accountant/Certified Valuation Analyst	\$ 75.00
Certified Public Accountant	\$ 75.00
Accountant I (2)	\$ 55.00
Accountant II	\$ 35.00

Claims Services Subcontractor

EMKAY Associates, Inc.

Claims management, consulting & reporting; adjusting and reviewing claims for reserve adequacy, reinsurance and reporting; securing company offices; assisting in takeover activities and site management. \$ 85.00

Records management, takeover activities and site management. \$ 45.00
Administration and POC database data entry. \$ 35.00
Records inventory. \$ 25.00

Software & Hardware technical support. \$ 75.00
POC/Database administration & management; claims representative; UDS data creation; capture and report formatting; reinsurance database administration; reinsurance billing; takeover activities and site management; records management.

Claims representative; review of claims for reinsurance, reporting and reserve adequacy; assist in takeover activities and site management. \$ 75.00

Claims representatives; review of claims for reinsurance and reporting & reserve adequacy.	\$ 65.00
Records management; takeover activities and site management.	\$ 45.00
Administration.	\$ 35.00
Records inventory.	\$ 25.00

Information Technology Subcontractor

ABACI, Inc.

Project Manager Business Analyst and Application Designer	\$ 85.00
Technical Managers (2)	\$ 80.00
Technical Analyst	\$ 80.00
Data Analyst	\$ 80.00
Network Security Specialist	\$ 80.00

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v.

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

261st JUDICIAL DISTRICT

ORDER APPROVING APPLICATION FOR APPROVAL OF FEES AND EXPENSES

On this day came on to be heard the *Application for Approval of Fees and Expenses* (“Application”) filed by Cantilo & Bennett, L.L.P., Special Deputy Receiver of Esquire Title, LLC (the “SDR” and “Esquire” respectively). The SDR appeared by and through its counsel. Having considered the Application, the Court finds as follows:

1. The *Order of Reference to Master* (“Order of Reference”) entered by this Court provides that applications filed pursuant to TEX. INS. CODE § 443.007 are referred to the Special Master appointed in this proceeding;
2. The Application was submitted to the Special Master in accordance with the Order of Reference;
3. Notice of the Application was provided in accordance with TEX. INS. CODE §443.007 (d) and the Order of Reference, and no objections to the Application were filed;
4. The Special Master has issued a recommendation that the Application should be granted pursuant to Rule 171 of the Texas Rules of Civil Procedure;
5. The Court has jurisdiction over the Application and the parties affected hereunder; and
6. The Application should be GRANTED in all respects.

It is therefore ORDERED, ADJUDGED and DECREED as follows:

1. The Application is GRANTED in all respects.
2. The terms of compensation for the Special Deputy Receiver and the contractors listed on Exhibit A are approved.
3. Pursuant to TEX. INS. CODE § 443.015 (c)(2), the Special Deputy Receiver shall obtain the approval of this Court for any expense that is anticipated to exceed \$25,000.00, and is not required to obtain approval for any expense that is not anticipated to exceed \$25,000.00.
4. The Special Deputy Receiver shall file with this Court a summary of expenses pursuant to TEX. INS. CODE § 443.015 (g) on a quarterly basis as described in Paragraph 3.4.
5. IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Order constitutes a final order fully resolving all issues relating to the Application, provided that this Court shall retain jurisdiction to issue further orders pursuant to TEX. INS. CODE Chapter 443. This Order does not modify any of the terms or provisions of this Court's *Agreed Order Appointing Liquidator and Permanent Injunction*, dated July 22, 2008.

SIGNED this ____ day of _____, 2009.

JUDGE PRESIDING