

NO. D-1-GV-08-001572

STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
Plaintiff	§	
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
ESQUIRE TITLE, LLC,	§	
Defendant	§	261st JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND
SUMMARY STATEMENT OF EXPENSES
(JUNE 1, 2009 THROUGH AUGUST 31, 2009)**

TO THE HONORABLE DISTRICT COURT:

Cantilo & Bennett, L.L.P., solely in its capacity as the Special Deputy Receiver of Esquire Title, LLC (the “SDR” and “Esquire” respectively), files this Financial Report and Summary Statement of Expenses of the receivership estate for the period of June 1, 2009 to August 31, 2009. The attached report is filed pursuant to TEX. INS. CODE ANN., §§ 443.015(2)(g) and 443.016(a) and the Court's Order Approving the SDR's First Supplemental Application for Approval of Fees and Expenses, entered on August 5, 2009.

The Special Deputy Receiver has served this Quarterly Financial Report to all known parties at interest, as shown in the certificate of service.

Respectfully submitted,

By: /s/ Christopher Fuller
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Title, LLC

And

By: /s/ Jo Ann Howard
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Title, LLC

CERTIFICATE OF SERVICE

I certify that on September 15, 2009, a true and correct copy of this Report was served pursuant to the Order of Reference, the Texas Rules of Civil Procedure, and the Court's order on electronic service on the following.

/s/ Christopher Fuller
Christopher Fuller

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**Esquire Title, LLC, in Receivership
Summary Statement of Expenses**

**For the Quarter Ending
8/31/2009**

	June	July	Aug	Total 4th Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney	7,545.00	7,710.00	10,110.00	25,365.00
Partner/Attorney Travel		75.00	0.00	75.00
Partner/Attorney	75.00	15.00	240.00	330.00
Attorney/Associate	412.50	450.00	462.50	1,325.00
Attorney/Associate	62.50	0.00	0.00	62.50
Receivership Specialist	54.00	0.00	54.00	108.00
Receivership Specialist	705.50	558.00	22.50	1,286.00
Credit				0.00
Expenses	461.74	13.53	41.97	517.24
SDR Subcontractors				
Jo Ann Howard & Associates, P.C.				
Junior Legal Specialist	52.50	175.00	0.00	227.50
Paralegal	171.00	81.00	117.00	369.00
Expenses	14.48	19.08	7.24	40.80
Petrosewicz & Company, Inc				
Accountant-Principal	600.00	360.00	375.00	1,335.00
Accountant	864.00	1,044.00	621.00	2,529.00
Clerical	0.00	1.50	0.00	1.50
Expenses	22.44	21.31	11.78	55.53
ABACI Inc				
Application Designer	0.00	32.00	0.00	32.00
Expenses	0.00	0.00	0.00	0.00
EMKAY Associates				
Claims Manager	297.50	76.50	25.50	399.50
Claims Representative	735.00	45.00	0.00	780.00
Claims Representative	0.00	30.00	0.00	30.00
Claims Representative	682.50	123.50	39.00	845.00
Claims Representative Travel	150.00	0.00	0.00	150.00
S&O Claims Representative	414.00	850.50	571.50	1,836.00
Claims Representative	77.50	135.00	165.00	377.50
S&O Claims Representative Travel	45.00	157.50	155.25	357.75
S&O Records Management				0.00
Expenses	327.96	18.40	0.00	346.36

Receivership Service Providers

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Esquire Title, LLC, in Receivership
Summary Statement of Expenses

For the Quarter Ending
8/31/2009

	June	July	Aug	Total 4th Quarter
Public Storage-Offsite Storage	414.95	339.00	114.00	867.95
RamQuest Software (Claims Software System)	541.25	541.25	541.25	1,623.75
Safesite, Inc.-Offsite Storage (Austin)	197.50	197.50	197.50	592.50
Operations Bank	7.50		7.50	15.00
Texas Treasury	23.15	22.74	22.42	68.31
Liquidation Oversight Allocation				
Liquidation Oversight Allocation	3,106.89	944.82	623.32	4,675.03
Special Master's Fees	47.26	0.00	51.63	98.89
Total by Month	18,108.62	14,037.13	14,576.86	

Total Expenses for Quarter Ending August 2009

46,722.61

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**Esquire Title, LLC, in Receivership
Statement of Net Assets**

**For the Month Ending
08/31/09**

Line		08/31/09
Cash		
1	Cash - Unrestricted	140,564
Investments		
2	Short-Term Investments	
3	Bonds, Preferred Stocks & Common Stocks	
4	Investments in Subsidiaries, Controlled or Affiliated Entities	
5	Mortgage Loans	
6	Real Estate	
7	Policy Loans	
8	Other Invested Assets	
Reinsurance		
9.1	Reinsurance Recoverables on Paid Losses & LAE	
9.1A	Allowance for Reinsurance on Paid Losses & LAE	
9.2	Reinsurance Recoverables on Unpaid Losses & LAE	
9.2A	Allowance for Reinsurance on Unpaid Losses & LAE	
9.3	Reinsurance Recoverables on UEP & Contingent Commissions	
Receivables		
10	Salvage & Subrogation Recoveries	
11	Premiums Due & Accrued from Agents & Policyholders	
12	Receivable from Parents, Subsidiaries & Affiliates	
13	Accrued Investment Income	
14	Receivable from Guaranty Associations - Early Access Payments	
Other Assets		
15.1	FF&E	
15.2	Prepaid Expenses	
16	Other Assets	
Restricted Assets		
17.1	Restricted - Statutory Deposits	
17.2	Restricted - Funds held by or deposited with Reinsured Companies	
17.3	Restricted - Separate Accounts & Protected Cell Accounts	
17.4	Restricted - Other	5,983
18	Total Unrestricted Assets	140,564
19	Total Restricted Assets	5,983
19A	Net Assets not Categorized	
20	Total Assets	146,547

NOTES

Ref No.

- 17.4 Represents amounts in Wallis State Bank Escrow account 290 in the amount of \$4,922 and Frost Bank Escrow account 101 in the amount of \$1,061.

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**Esquire Title, LLC, in Receivership
Changes in Net Assets**

**For the Quarter Ending
08/31/09**

Line		Qtr Ending 05/31/09	Qtr Ending 08/31/09
Cash			
1	Cash - Unrestricted	194,850	140,564
Investments			
2	Short-Term Investments	0	0
3	Bonds, Preferred Stocks & Common Stocks	0	0
4	Investments in Subsidiaries, Controlled or Affiliated Entities	0	0
5	Mortgage Loans	0	0
6	Real Estate	0	0
7	Policy Loans	0	0
8	Other Invested Assets	0	0
Reinsurance			
9.1	Reinsurance Recoverables on Paid Losses & LAE	0	0
9.1A	Allowance for Reinsurance on Paid Losses & LAE	0	0
9.2	Reinsurance Recoverables on Unpaid Losses & LAE	0	0
9.2A	Allowance for Reinsurance on Unpaid Losses & LAE	0	0
9.3	Reinsurance Recoverables on UEP & Contingent Commissions	0	0
Receivables			
10	Salvage & Subrogation Recoveries	0	0
11	Premiums Due & Accrued from Agents & Policyholders	0	0
12	Receivable from Parents, Subsidiaries & Affiliates	0	0
13	Accrued Investment Income	0	0
14	Receivable from Guaranty Associations - Early Access Payments	0	0
Other Assets			
15.1	FF&E	913	0
15.2	Prepaid Expenses	0	0
16	Other Assets	0	0
Restricted Assets			
17.1	Restricted - Statutory Deposits	0	0
17.2	Restricted - Funds held by or deposited with Reinsured Companies	0	0
17.3	Restricted - Separate Accounts & Protected Cell Accounts	0	0
17.4	Restricted - Other	5,983	5,983
18	Total Unrestricted Assets	195,763	140,564
19	Total Restricted Assets	5,983	5,983
19A	Net Assets not Categorized	0	0
20	Total Assets	201,746	146,547

NOTES

Ref No

15.1 Reflects sale of the remaining furniture & fixtures

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**Esquire Title, LLC, in Receivership
Statement of Net Liabilities**

**For the Month Ending
08/31/09**

Line		Class	08/31/09
1	Secured Claims	1	5,983
2	Special Deposit Claims	1	
Administrative			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	13,019
	Liquidation Oversight & Special Master's Fees	1	675
	Unsecured Loans	1	549,142
4	Administrative Claims - Guaranty Assns	1	
	Claims Paid		
	Reserves		
5	LAE - Guaranty Assns	1	
	Claims Paid		
	Reserves		
Loss Claims			
6	Loss Claims - Guaranty Assns	2	
	Loss Claims Paid		836,999
	Reserves		778,270
7	Loss Claims - Other	2	
	Loss Claims Paid		
	Reserves		
8	LAE - Other	2	
9	Unearned & Advance Premium Claims (Non Assessable Policies) - GA	2	
10	Unearned & Advance Premium Claims (Non Assessable Policies) - Other	2	
18	Unearned Premium Claims (Assessable Policies) - GA	2	
Other Creditors			
11	Federal Government Claims	3	
12	Employee Claims	4	
13	General Unsecured Creditor Claims (Other than Reinsurance Related)	5	3,443
14	Ceded Reinsurance Related Unsecured Claims	5	
14.1	Assumed Reinsurance Related Unsecured Claims	5	
15	State & Local Government Claims		
	State & Local Governments/Attorneys	6	
	State & Local Governments - Penalties	7	
16	Late Filed Claims - Unexcused	8	
17	Surplus Notes	9	
19	Unearned Premium Claims (Assessable Policies) - Other	9	
20	Shareholder Claims	11	
21	Other Liabilities		
	Interest	10	
	Other		
22	Total Liabilities		2,187,531
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(2,040,984)
	Total Liabilities & Equity		146,547

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**Esquire Title, LLC, in Receivership
Statement of Net Liabilities**

**For the Month Ending
08/31/09**

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

- 1 Represents amounts held in Escrow bank accounts for funds held on behalf of customers.
- 3 Unsecured Loans represents a loan from the Texas Abandoned Property Fund.
- 6 Represents adjudicated claims information received from the Texas Title Insurance Guaranty Association (TTIGA) as of August 31, 2009.

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**Esquire Title, LLC, in Receivership
Changes in Net Liabilities**

**For the Quarter Ending
08/31/09**

Line		Qtr Ending 05/31/09	Qtr Ending 08/31/09	Change
1	Secured Claims	5,983	5,983	0
2	Special Deposit Claims	0	0	0
Administrative				
3	Administrative Claims - State/Receiver	0	0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	22,195	13,019	(9,176)
	Liquidation Oversight & Special Master's Fees	0	675	675
	Unsecured Loans	549,142	549,142	0
4	Administrative Claims - Guaranty Assns	0	0	0
	Claims Paid	0	0	0
	Reserves	0	0	0
5	LAE - Guaranty Assns	0	0	0
	Claims Paid	0	0	0
	Reserves	0	0	0
Loss Claims				
6	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	309,754	836,999	527,245
	Reserves	2,353,204	778,270	(1,574,934)
7	Loss Claims - Other	0	0	0
	Loss Claims Paid	0	0	0
	Reserves	0	0	0
8	LAE - Other	0	0	0
9	Unearned & Advance Premium Claims (Non Assessable Policies) - GA	0	0	0
10	Unearned & Advance Premium Claims (Non Assessable Policies) - Other	0	0	0
18	Unearned Premium Claims (Assessable Policies) - GA	0	0	0
Other Creditors				
11	Federal Government Claims	0	0	0
12	Employee Claims	0	0	0
13	General Unsecured Creditor Claims (Other than Reinsurance Related)	3,443	3,443	0
14	Ceded Reinsurance Related Unsecured Claims	0	0	0
14.1	Assumed Reinsurance Related Unsecured Claims	0	0	0
15	State & Local Government Claims	0	0	0
	State & Local Governments/Attorneys	0	0	0
	State & Local Governments - Penalties	0	0	0
16	Late Filed Claims - Unexcused	0	0	0
17	Surplus Notes	0	0	0
19	Unearned Premium Claims (Assessable Policies) - Other	0	0	0
20	Shareholder Claims	0	0	0
21	Other Liabilities	0	0	0
	Interest	0	0	0
	Other	0	0	0
22	Total Liabilities	3,243,721	2,187,531	(1,056,190)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(3,041,975)	(2,040,984)	1,000,991
	Total Liabilities & Equity	201,746	146,547	(55,199)

NOTES

- ⁶ Reflects adjustments to reconcile to adjudicated claims information from the monthly Texas Title Insurance Guaranty Association (TTIGA) reports.

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**Esquire Title, LLC, in Receivership
Change in Cash & Investments**

**For the Quarter Ending
08/31/09**

Line	Qtr Ending Aug-09
Income	
1 Premium Receipts	0
2 Settlements	0
3 Policy Loan Receipts	0
4 Proceeds from Sale of Real Property or Personal Property	858
5 Reinsurance Recoveries	0
6 Salvage & Subrogation Recoveries	0
7 Agents' Balances Received	0
8 Collection of Affiliate Receivables	0
9 Recovery of Taxes Previously Paid	0
10 Other Receipts	11
11 Total Operational Receipts	869
	0
12 Interest & Dividend Receipts	69
13 Net Cash Provided by Investment Activities	0
14 Total Cash Receipts from Investment Activities	69
15 Total Cash Receipts	938
Operational Expenses	
16 Deputy Receiver & Consulting Fees & Expenses	42,417
17 Employee Salaries, P/R Taxes & Employee Benefits	0
18 Rent, Office & Other Facility Expenses	1,461
19 Legal Fees & Expenses	1,088
20 Accounting & Auditing Fees & Expenses	4,453
21 SGA - Administration Expenses other than LAE	84
22 Ancillary Administration Expenses	4,098
23 Other Disbursements	0
24 Total Operational Disbursements	53,601
Investment Expenses	
25 Investment Expenses	0
26 Purchase of Invested Assets	0
27 Total Disbursements for Investment Activities	0
Claims Paid	
28.1 Losses/Benefit Payments - SGA	0
28.2 Losses/Benefit Payments - Non SGA	0
28.3 Losses/Benefit & LAE Payments - Special Deposits	0
29.1 LAE Payments - SGA	0
29.2 LAE Payments - non SGA	1,623
30 Early Access Payments	0
31 Reinsurance Payments	0
32 Total Cash Distributions	1,623
33 Total Cash Disbursements & Distributions	55,224
34 Net Increase(Decrease) in Cash	(54,286)
35 Cash at Beginning of Period	194,850
36 Cash at End of Period	140,564

Line

29.2 Represents invoices paid to Ramquest-claims software.