

NO. D-1-GV-08-001572

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

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND  
SUMMARY STATEMENT OF EXPENSES  
(DECEMBER 1, 2009 TO FEBRUARY 28, 2010)**

**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 December 1, 2009 to February 28, 2010. 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, as Supplemented, 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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capacity as the Special Deputy Receiver of Esquire  
Title, LLC

### **CERTIFICATE OF SERVICE**

I certify that on March 15, 2010, 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  
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**Esquire Title, LLC, in Receivership  
Statement of Expenses**

**For Period Ending  
02/28/10**

		Total Dec	Total Jan	Total Feb	Total Quarter
<b>SDR</b>					
Cantilo & Bennett, LLP					
	Partner/Attorney/	3,585.00	9,225.00	16,395.00	29,205.00
	Partner/Attorney Travel			150.00	150.00
	Partner/Attorney/	30.00			30.00
	Partner/Attorney Travel				0.00
	Attorney/Associate/		162.50	1,850.00	2,012.50
	Attorney/Associate Travel			75.00	75.00
	Receivership Specialist/				0.00
	Receivership Specialist	288.00	120.00	3,180.00	3,588.00
	Receivership Specialist Travel			120.00	120.00
	Receivership Specialist/	7,371.00	3,321.00		10,692.00
	Credit		(630.00)		(630.00)
	Expenses		64.15	157.00	221.15
	<b>Total SDR Billing</b>	<b>11,274.00</b>	<b>12,262.65</b>	<b>21,927.00</b>	<b>45,463.65</b>
<b>SDR Subcontractors - Legal</b>					
Jo Ann Howard & Associates, P.C.					
	Senior Legal Specialist	0.00	0.00	0.00	0.00
	Senior Legal Specialist			0.00	0.00
	Junior Legal Specialist/			0.00	0.00
	Junior Legal Specialist-Travel			0.00	0.00
	Junior Legal Specialist			0.00	0.00
	Paralegal/	126.00		0.00	126.00
	Expenses	7.24		0.00	7.24
	<b>Total Billing</b>	<b>133.24</b>	<b>0.00</b>	<b>0.00</b>	<b>133.24</b>
	<b>Total Legal Subcontractors</b>	<b>133.24</b>	<b>0.00</b>	<b>0.00</b>	<b>133.24</b>
<b>SDR Subcontractors - Other</b>					
Petrosewicz & Company, Inc.					
	Accountant-Principal/	360.00	225.00	210.00	795.00
	Accountant-Principal Travel				0.00
	Senior Accountant				0.00
	Senior Accountant-Travel				0.00
	Accountant				0.00
	Accountant				0.00
	Accountant/	639.65	567.00	594.00	1,800.65
	Clerical/				0.00

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

**For Period Ending  
02/28/10**

		Total Dec	Total Jan	Total Feb	Total Quarter
	Expenses	13.01	13.27	16.01	42.29
	<b>Total Billing</b>	<b>1,012.66</b>	<b>805.27</b>	<b>820.01</b>	<b>2,637.94</b>
ABACI Inc					
	Application Designer /		0.00	0.00	0.00
	Application Designer Travel	0.00	0.00	0.00	0.00
	Data Analyst	0.00	0.00	0.00	0.00
	Data Analyst Travel	0.00	0.00	0.00	0.00
	Expenses	0.00	0.00	0.00	0.00
	<b>Total Billing</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
EMKAY Associates					
s&o	Claims Manager/	42.50	76.50	68.00	187.00
	Claims Manager				0.00
S&o	Claims Manager Travel				0.00
	Claims Representative/				0.00
	Claims Representative			15.00	15.00
	Claims Representative/	26.00	175.50	97.50	299.00
	Claims Representative/		66.00	9.00	75.00
	Claims Representative Travel				0.00
S&O	Claims Representative/	189.00	117.00	112.50	418.50
	Claims Representative	15.00	20.00	10.00	45.00
S&O	Claims Representative Travel	31.50	58.50	31.50	121.50
	Records Management				0.00
	Credit				0.00
	Expenses				0.00
		<b>304.00</b>	<b>513.50</b>	<b>343.50</b>	<b>1,161.00</b>
<b>Total Other SDR Subcontractors</b>					
		<b>1,316.66</b>	<b>1,318.77</b>	<b>1,163.51</b>	<b>3,798.94</b>
<b>Receivership Service Providers</b>					
Public Storage-Offsite Storage					
		114.00	114.00	114.00	342.00
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
Operating Account					
		7.50		7.50	15.00
Texas Treasury					
				10.88	10.88

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Esquire Title, LLC, in Receivership  
Statement of Expenses

For Period Ending  
02/28/10

		Total Dec	Total Jan	Total Feb	Total Quarter
Total Other		860.25	852.75	871.13	2,584.13
Liquidation Oversight Allocation					
RLO Allocation		764.37	998.25	1,347.88	3,110.50
Special Master's Fees		0.00	50.33		50.33
Total RLO & SM Expense		764.37	1,048.58	1,347.88	3,160.83
Total Expenses		14,348.52	15,482.75	25,309.52	55,140.79

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

**For the Period Ending**  
**02/28/10**

Line		02/28/10
<b>Cash</b>		
1	Cash - Unrestricted	50,976
<b>Investments</b>		
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	
<b>Reinsurance</b>		
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	
<b>Receivables</b>		
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	
<b>Other Assets</b>		
15.1	FF&E	
15.2	Prepaid Expenses	
16	Other Assets	
<b>Restricted Assets</b>		
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	<b>Total Unrestricted Assets</b>	50,976
19	<b>Total Restricted Assets</b>	5,983
19A	Net Assets not Categorized	
20	<b>Total Assets</b>	56,959

**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 Period Ending**  
**02/28/10**

Line		Qtr Ending 11/30/09	Qtr Ending 02/28/10	Change
<b>Cash</b>				
1	Cash - Unrestricted	92,658	50,976	(41,682)
<b>Investments</b>				
2	Short-Term Investments	0	0	0
3	Bonds, Preferred Stocks & Common Stocks	0	0	0
4	Investments in Subsidiaries, Controlled or Affiliated Entities	0	0	0
5	Mortgage Loans	0	0	0
6	Real Estate	0	0	0
7	Policy Loans	0	0	0
8	Other Invested Assets	0	0	0
<b>Reinsurance</b>				
9.1	Reinsurance Recoverables on Paid Losses & LAE	0	0	0
9.1A	Allowance for Reinsurance on Paid Losses & LAE	0	0	0
9.2	Reinsurance Recoverables on Unpaid Losses & LAE	0	0	0
9.2A	Allowance for Reinsurance on Unpaid Losses & LAE	0	0	0
9.3	Reinsurance Recoverables on UEP & Contingent Commissions	0	0	0
<b>Receivables</b>				
10	Salvage & Subrogation Recoveries	0	0	0
11	Premiums Due & Accrued from Agents & Policyholders	0	0	0
12	Receivable from Parents, Subsidiaries & Affiliates	0	0	0
13	Accrued Investment Income	0	0	0
14	Receivable from Guaranty Associations - Early Access Payments	0	0	0
<b>Other Assets</b>				
15.1	FF&E	0	0	0
15.2	Prepaid Expenses	0	0	0
16	Other Assets	0	0	0
<b>Restricted Assets</b>				
17.1	Restricted - Statutory Deposits	0	0	0
17.2	Restricted - Funds held by or deposited with Reinsured Companies	0	0	0
17.3	Restricted - Separate Accounts & Protected Cell Accounts	0	0	0
17.4	Restricted - Other	5,983	5,983	0
18	<b>Total Unrestricted Assets</b>	92,658	50,976	(41,682)
19	<b>Total Restricted Assets</b>	5,983	5,983	0
19A	Net Assets not Categorized	0	0	0
20	<b>Total Assets</b>	98,641	56,959	(41,682)

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

**For Period Ending  
02/28/10**

Line		Class	02/28/10
1	Secured Claims	1	5,983
2	Special Deposit Claims	1	
<b>Administrative</b>			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	23,090
	Liquidation Oversight & Special Master's Fees	1	1,348
	Unsecured Loans	1	549,142
4	Administrative Claims - Guaranty Assns	1	
	Claims Paid		
	Reserves		
5	LAE - Guaranty Assns	1	
	Claims Paid		
	Reserves		
<b>Loss Claims</b>			
6	Loss Claims - Guaranty Assns	2	
	Loss Claims Paid		1,038,188
	Reserves		1,219,052
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	
<b>Other Creditors</b>			
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	<b>Total Liabilities</b>		2,840,246
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(2,783,287)
	<b>Total Liabilities &amp; Equity</b>		56,959

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

**For Period Ending  
02/28/10**

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**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 February 28, 2010.

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

**For Period Ending  
02/28/10**

Line		Qtr Ending 11/30/09	Qtr Ending 02/28/10	Change
1	Secured Claims	5,983	5,983	0
2	Special Deposit Claims	0	0	0
<b>Administrative</b>				
3	Administrative Claims - State/Receiver		0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	10,209	23,090	12,881
	Liquidation Oversight & Special Master's Fees	785	1,348	563
	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
<b>Loss Claims</b>				
6	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	889,081	1,038,188	149,107
	Reserves	1,291,289	1,219,052	(72,237)
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
<b>Other Creditors</b>				
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	<b>Total Liabilities</b>	<b>2,749,932</b>	<b>2,840,246</b>	<b>90,314</b>
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(2,651,291)	(2,783,287)	(131,996)
	<b>Total Liabilities &amp; Equity</b>	<b>98,641</b>	<b>56,959</b>	<b>(41,682)</b>

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**Esquire Title, LLC, in Receivership  
Sources & Uses of Cash**

**For Period Ending  
02/28/10**

Line	Qtr Ending Feb-10
<b>Income</b>	
1 Premium Receipts	0
2 Settlements	0
3 Policy Loan Receipts	0
4 Proceeds from Sale of Real or Personal Property	0
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	0
<b>11 Total Operational Receipts</b>	<b>0</b>
12 Interest & Dividend Receipts	14
13 Net Cash Provided by Investment Activities	0
<b>14 Total Cash Receipts from Investment Activities</b>	<b>14</b>
<b>15 Total Cash Receipts</b>	<b>14</b>
<b>Operational Expenses</b>	
16 Deputy Receiver & Consulting Fees & Expenses	32,604
17 Employee Salaries, P/R Taxes & Employee Benefits	0
18 Rent, Office & Other Facility Expenses	935
19 Legal Fees & Expenses	133
20 Accounting & Auditing Fees & Expenses	3,777
21 SGA - Administration Expenses other than LAE	26
22 Ancillary Administration Expenses	2,598
23 Other Disbursements	0
<b>24 Total Operational Disbursements</b>	<b>40,073</b>
<b>Investment Expenses</b>	
25 Investment Expenses	0
26 Purchase of Invested Assets	0
<b>27 Total Disbursements for Investment Activities</b>	<b>0</b>
<b>Claims Paid</b>	
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
<b>32 Total Cash Distributions</b>	<b>1,623</b>
<b>33 Total Cash Disbursements &amp; Distributions</b>	<b>41,696</b>
<b>34 Net Increase(Decrease) in Cash</b>	<b>(41,682)</b>
35 <b>Cash at Beginning of Period</b>	92,658
36 <b>Cash at End of Period</b>	50,976

29.2 Represents invoices paid to Ramquest-claims