

STATE OF TEXAS,
Plaintiff

v.

ESQUIRE TITLE, LLC,
Defendant

§
§
§
§
§
§
§

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

261st JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND
SUMMARY STATEMENT OF EXPENSES
(MARCH 1, 2010 TO MAY 31, 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 March 1, 2010 to May 31, 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
Christopher Fuller
Texas Bar No. 07515500
4612 Ridge Oak Drive, Austin, Texas 78731
Tel. (512)470-9544
Fax (512)374-0957
cfuller@fullerlaw.org
Attorney for Cantilo & Bennett, L.L.P., solely in its
capacity as the Special Deputy Receiver of Esquire
Title, LLC

And

By: /s/ Jo Ann Howard

Jo Ann Howard

Texas Bar No. 10072310

Jo Ann Howard & Associates, P.C.

P.O. Box 160130, Austin, Texas 78716

Tel. (512)791-0911

Fax (512)329-6612

iamanrd3@aol.com

Attorney for Cantilo & Bennett, L.L.P., solely in its capacity as the Special Deputy Receiver of Esquire Title, LLC

CERTIFICATE OF SERVICE

I certify that on June 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

Christopher Fuller

Texas Bar No. 07515500

Tom Collins, Special Master
c/o Ms. Jean Sustaita
P.O. Box 149104
Mail Code 305-1D
Austin, TX 78701
Jean.Sustaita@tdi.state.tx.us

Joshua Godbey
Assistant Attorney General
Financial Litigation Division
P.O. Box 12548
Austin, TX 78711-2548
Fax (512)477-2348
joshua.godbey@oag.state.tx.us

Mitchell, Williams, Selig, Gates &
Woodyard, PLLC
Attorneys for the Texas Title Guaranty
Association
P.O. Box 2212
Austin, TX 78768-2212
bburner@mwlaw.com
bmccandless@mwlaw.com

Mark Mosley
Attorney & Counselor at Law
1410 G Avenue, Suite 400
Plano, TX 75074
Tel (972)437-4119
Fax (972)671-0456
i_c_law@sbcglobal.net

Catherine Fryer
Bickerstaff Health Delgado Acosta LLP
816 Congress Ave., Suite 1700
Austin, TX 78701-2443
cfryer@bickerstaff.com

Christopher L. Kurzner
Kurzner PC
1700 Pacific Ave., Suite 3800
Dallas, TX 75201
ckurzner@kurzner.com

Silvia Tiller
Attorney for Esquire Title, LLC
14090 Southwest Freeway, Suite 300
Sugar Land, TX 77478
Tel (281)340-8543
Fax (866)859-3462
stiller@tillerandassociatespc.com

Terence Norman
Attorney for Eraka Childs and Chris Watson
6069 Broadway St.
Pearland, TX 77581
tcnorman@lawyer.com
Tel (281)485-0603
Fax (281)485-0393

Eraka Childs
8325 Broadway, Suite 202
Pearland, TX 77584
Tel (832)890-8209
erakachilds@gmail.com

Yolanda Bartee
The Law Office of Yolanda Molock Bartee,
P.L.L.C.
P.O. Box 180446
Arlington, TX 76096-0446
ybartee_esq@hotmail.com

David W. Dodge
McCathern Mooty, LLP
Regency Plaza
3710 Rawlins, Ste. 1600
Dallas, Texas 75219
Tel (214) 741-2662
Fax (214) 741-4717
ddodge@mm-llp.com

Texas Workforce Commission
Regulatory Enforcement Division
101 E. 15th Street
Austin, TX 78778-0001

Internal Revenue Service
Special Procedures Branch
P.O. Box 250
300 East 8th St., Ste. 352, Mail Stop 5022A
Austin, TX 78701

Angel Garrett
Texas Department of Insurance
Financial/Rehabilitation & Liquidation
Oversight Division
333 Guadalupe, Mail Code 305-1D
Austin, TX 78701
Angel.Garrett@tdi.state.tx.us

Rachel Giani
Texas Department of Insurance
Financial/Rehabilitation & Liquidation
Oversight Division
333 Guadalupe Mail, Code 305-1D
Austin, TX 78701
Rachel.Giani@tdi.state.tx.us

Leanne Layne
Texas Department of Insurance
Financial/Rehabilitation & Liquidation
Oversight Division
333 Guadalupe, Mail Code 305-1D
Austin, TX 78701
Leanne.Layne@tdi.state.tx.us

John Walker
Texas Department of Insurance
Financial/Rehabilitation & Liquidation
Oversight Division
333 Guadalupe, Mail Code 305-1D
Austin, TX 78701
John.Walker@tdi.state.tx.us

Jemmie Russell
Texas Department of Insurance
Financial/Rehabilitation & Liquidation
Oversight Division
333 Guadalupe, Mail Code 305-1D
Austin, TX 78701
Jemmie.Russell@tdi.state.tx.us

R-541

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

**For Period Ending
05/31/10**

		Total Mar	Total Apr	Total May	Total Quarter
SDR					
Cantilo & Bennett, LLP					
	Partner/Attorney/	11,370.00	8,820.00	6,300.00	26,490.00
	Partner/Attorney Travel				0.00
	Partner/Attorney/				0.00
	Partner/Attorney Travel				0.00
	Attorney/Associate/	812.50	150.00		962.50
	Attorney/Associate Travel				0.00
	Receivership Specialist/	45.00	171.00		216.00
	Receivership Specialist	1,368.00	3,036.00	756.00	5,160.00
	Receivership Specialist Travel				0.00
	Receivership Specialist/			81.00	81.00
	Credit	1,256.85	527.92	54.72	1,839.49
	Expenses				0.00
	Total SDR Billing	14,852.35	12,704.92	7,191.72	34,748.99
SDR Subcontractors - Legal					
Jo Ann Howard & Associates, P.C.					
	Senior Legal Specialist	0.00	0.00	0.00	0.00
	Senior Legal Specialist		3,120.00	1,520.00	4,640.00
	Junior Legal Specialist/			0.00	0.00
	Junior Legal Specialist-Travel			0.00	0.00
	Junior Legal Specialist			0.00	0.00
	Paralegal/	90.00		36.00	126.00
	Expenses	5.19		0.00	5.19
	Total Billing	95.19	3,120.00	1,556.00	4,771.19
	Total Legal Subcontractors	95.19	3,120.00	1,556.00	4,771.19
SDR Subcontractors - Other					
Petrosewicz & Company, Inc.					
	Accountant-Principal/	240.00	300.00	270.00	810.00
	Accountant-Principal Travel				0.00
	Senior Accountant				0.00
	Senior Accountant-Travel				0.00
	Accountant				0.00
	Accountant				0.00
	Accountant/	576.00	864.00	540.00	1,980.00
	Clerical/				0.00

R-541

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

**For Period Ending
05/31/10**

		Total Mar	Total Apr	Total May	Total Quarter
	Expenses	14.76	14.42	16.84	46.02
	Total Billing	830.76	1,178.42	826.84	2,836.02
ABACI Inc					
	Application Designer /	32.00	0.00	0.00	32.00
	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
	Total Billing	32.00	0.00	0.00	32.00
EMKAY Associates					
s&o	Claims Manager/	68.00	0.00	8.50	76.50
	Claims Manager		0.00		0.00
S&o	Claims Manager Travel		0.00		0.00
	Claims Representative/				0.00
	Claims Representative				0.00
	Claims Representative/	65.00		52.00	117.00
	Claims Representative/				0.00
	Claims Representative Travel				0.00
S&O	Claims Representative/	301.50	342.00	657.00	1,300.50
	Claims Representative	35.00	77.50	240.00	352.50
S&O	Claims Representative Travel	67.50	121.50	135.00	324.00
	Records Management				0.00
	Credit				0.00
	Expenses				0.00
		537.00	541.00	1,092.50	2,170.50
Total Other SDR Subcontractors					
		1,399.76	1,719.42	1,919.34	5,038.52
Receivership Service Providers					
	Public Storage-Offsite Storage		252.00	118.00	370.00
	RamQuest Software (Claims Software System)	541.25	541.25	541.25	1,623.75
	Safesite, Inc.-Offsite Storage (Austin)	197.50	197.50	222.50	617.50
	Operating Account		7.50		7.50
	Texas Treasury			10.36	10.36

R-541

Esquire Title, LLC, in Receivership
Statement of Expenses

For Period Ending
05/31/10

		Total Mar	Total Apr	Total May	Total Quarter
Total Other		738.75	998.25	892.11	2,629.11
Liquidation Oversight Allocation					
	RLO Allocation	1,049.51	1,143.74	1,246.58	3,439.83
	Special Master's Fees	2.66	32.61	0.00	35.27
Total RLO & SM Expense		1,052.17	1,176.35	1,246.58	3,475.10
	Total Expenses	18,138.22	19,718.94	12,805.75	50,662.91

R-541

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

**For the Period Ending
05/31/10**

Line		05/31/10
Cash		
1	Cash - Unrestricted	37,797
Investments		
2	Short-Tem 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	37,797
19	Total Restricted Assets	5,983
19A	Net Assets not Categorized	
20	Total Assets	43,780

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.

R-541

Esquire Title, LLC, in Receivership
Changes in Net Assets

For Period Ending
05/31/10

Line		Qtr Ending 02/28/10	Qtr Ending 05/31/09	Change
Cash				
1	Cash - Unrestricted	50,976	37,797	(13,179)
Investments				
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
Reinsurance				
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
Receivables				
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
Other Assets				
15.1	FF&E	0	0	0
15.2	Prepaid Expenses	0	0	0
16	Other Assets	0	0	0
Restricted Assets				
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	Total Unrestricted Assets	50,976	37,797	(13,179)
19	Total Restricted Assets	5,983	5,983	0
19A	Net Assets not Categorized	0	0	0
20	Total Assets	56,959	43,780	(13,179)

R-541

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

**For Period Ending
05/31/10**

Line		Class	05/31/10
1	Secured Claims	1	5,983
2	Special Deposit Claims	1	
Administrative			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	10,667
	Liquidation Oversight & Special Master's Fees	1	1,247
	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		1,038,688
	Reserves		1,371,897
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		2,981,067
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(2,937,287)
	Total Liabilities & Equity		43,780

R-541

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

**For Period Ending
05/31/10**

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 May 31, 2010.

R-541

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

**For Period Ending
05/31/10**

Line		Qtr Ending 02/28/10	Qtr Ending 05/31/00	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	23,090	10,667	(12,423)
	Liquidation Oversight & Special Master's Fees	1,348	1,247	(101)
	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	1,038,188	1,038,688	500
	Reserves	1,219,052	1,371,897	152,845
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	2,840,246	2,981,067	140,821
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(2,783,287)	(2,937,287)	(154,000)
	Total Liabilities & Equity	56,959	43,780	(13,179)

R-541

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

For Period Ending
05/31/10

Line		Qtr Ending May-10
Income		
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	50,000
11	Total Operational Receipts	50,000
12	Interest & Dividend Receipts	9
13	Net Cash Provided by Investment Activities	0
14	Total Cash Receipts from Investment Activities	9
15	Total Cash Receipts	50,009
Operational Expenses		
16	Deputy Receiver & Consulting Fees & Expenses	50,938
17	Employee Salaries, P/R Taxes & Employee Benefits	0
18	Rent, Office & Other Facility Expenses	989
19	Legal Fees & Expenses	3,215
20	Accounting & Auditing Fees & Expenses	2,829
21	SGA - Administration Expenses other than LAE	18
22	Ancillary Administration Expenses	3,576
23	Other Disbursements	0
24	Total Operational Disbursements	61,565
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

R-541

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

**For Period Ending
05/31/10**

Line		Qtr Ending May-10
33	Total Cash Disbursements & Distributions	63,188
34	Net Increase(Decrease) in Cash	(13,179)
35	<i>Cash at Beginning of Period</i>	50,976
36	<i>Cash at End of Period</i>	37,797

10 Reimbursement of expenses from TTIGA
29.2 Represents invoices paid to Ramquest-claims