

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
(JUNE 1, 2010 THROUGH AUGUST 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 June 1, 2010 to August 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
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
joann@h2opartnersusa.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 September 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

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

Jo Ann Howard
Jo Ann Howard & Associates, P.C.
P.O. Box 160130
Austin, TX 78716
joann@h2opartnersusa.com

Christopher Fuller
4612 Ridge Oak Drive
Austin, TX 78731
cfuller@fullerlaw.org

Susan E. Salch
CANTILO & BENNETT, L.L.P.
Special Deputy Receiver
11401 Century Oaks Terrace, Ste. 300
Austin, TX 78758
sesalch@cb-firm.com

R-541

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

**For Period Ending
08/31/10**

		Total June	Total July	Total Aug	Total Quarter
SDR					
Cantilo & Bennett, LLP					
	Partner/Attorney/	18,780.00	12,975.00	2,685.00	34,440.00
	Partner/Attorney Travel	0.00	75.00		75.00
	Partner/Attorney/	0.00	60.00	270.00	330.00
	Partner/Attorney Travel				0.00
	Partner/Attorney/	343.75	250.00	12.50	606.25
	Partner/Attorney Travel				0.00
	Attorney/Associate/				0.00
	Attorney/Associate Travel				0.00
	Receivership Specialist/	0.00	126.00	36.00	162.00
	Receivership Specialist	3,300.00	3,960.00		7,260.00
	Receivership Specialist Travel				0.00
	Receivership Specialist/	0.00	54.00	81.00	135.00
	Credit				0.00
	Expenses	3.52	65.16	1.32	70.00
Total SDR Billing		22,427.27	17,565.16	3,085.82	43,078.25
SDR Subcontractors - Legal					
Jo Ann Howard & Associates, P.C.					
	Senior Legal Specialist				0.00
	Senior Legal Specialist	1,960.00	5,940.00	4,000.00	11,900.00
	Junior Legal Specialist/				0.00
	Junior Legal Specialist-Travel				0.00
	Junior Legal Specialist				0.00
	Paralegal/	99.00	90.00		189.00
	Expenses	6.31	131.31	880.87	1,018.49
	Total Billing	2,065.31	6,161.31	4,880.87	13,107.49
Total Legal Subcontractors		2,065.31	6,161.31	4,880.87	13,107.49
SDR Subcontractors - Other					
Petrosewicz & Company, Inc.					
	Accountant-Principal/	195.00	360.00	255.00	810.00
	Accountant-Principal Travel				0.00
	Senior Accountant				0.00
	Senior Accountant-Travel				0.00
	Accountant				0.00
	Accountant				0.00

R-541

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

**For Period Ending
08/31/10**

		Total June	Total July	Total Aug	Total Quarter
	Accountant/	540.00	693.00	639.00	1,872.00
	Clerical/				0.00
	Expenses	14.04	16.30	12.91	43.25
	Total Billing	749.04	1,069.30	906.91	2,725.25
ABACI Inc					
	Application Designer /				0.00
	Application Designer Travel				0.00
	Data Analyst				0.00
	Data Analyst Travel				0.00
	Expenses				0.00
	Total Billing	0.00	0.00	0.00	0.00
EMKAY Associates					
s&o	Claims Manager/	34.00	25.50		59.50
	Claims Manager				0.00
S&o	Claims Manager Travel				0.00
	Claims Representative/				0.00
	Claims Representative	307.50			307.50
	Claims Representative/	91.00	91.00		182.00
	Claims Representative/	35.00			35.00
	Claims Representative Travel				0.00
S&O	Claims Representative/	684.00	279.00	427.50	1,390.50
	Claims Representative	115.00	57.50	65.00	237.50
S&O	Claims Representative Travel	101.25	81.00	101.25	283.50
	Records Management				0.00
	Credit				0.00
	Expenses				0.00
		1,367.75	534.00	593.75	2,495.50
	Total Other SDR Subcontractors	2,116.79	1,603.30	1,500.66	5,220.75
Receivership Service Providers					
	Public Storage-Offsite Storage	118.00	118.00	118.00	354.00
	RamQuest Software (Claims Software System)	541.24	541.25	541.25	1,623.74
	Safesite, Inc.-Offsite Storage (Austin)	197.50	197.50	197.50	592.50
	Mills Roberts-Insurance	0.00	600.00	0.00	600.00

R-541

Esquire Title, LLC, in Receivership
Statement of Expenses

For Period Ending
08/31/10

	Total June	Total July	Total Aug	Total Quarter
Operating Account	0.00	0.00	7.50	7.50
Texas Treasury	0.00	0.00	10.37	10.37
Total Other	856.74	1,456.75	874.62	3,188.11
Liquidation Oversight Allocation				
RLO Allocation	825.93	2,216.59	2,188.71	5,231.23
Special Master's Fees	7.88	0.00	442.49	450.37
Total RLO & SM Expense	833.81	2,216.59	2,631.20	5,681.60
Total Expenses	28,299.92	29,003.11	12,973.17	70,276.20

Esquire Title, LLC, in Receivership
Statement of Net Assets

For the Period Ending
08/31/10

Line		08/31/10
Cash		
1	Cash - Unrestricted	22,705
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	22,705
19	Total Restricted Assets	5,983
19A	Net Assets not Categorized	
20	Total Assets	28,688

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
08/31/10

Line		Qtr Ending 05/31/10	Qtr Ending 08/31/10	Change
Cash				
1	Cash - Unrestricted	37,797	22,705	(15,092)
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	37,797	22,705	(15,092)
19	Total Restricted Assets	5,983	5,983	0
19A	Net Assets not Categorized	0	0	0
20	Total Assets	43,780	28,688	(15,092)

R-541

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

**For Period Ending
08/31/10**

Line		Class	08/31/10
1	Secured Claims	1	5,983
2	Special Deposit Claims	1	
Administrative			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	64,457
	Liquidation Oversight & Special Master's Fees	1	2,631
	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		1,177,871
	Reserves		994,496
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		2,798,023
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(2,769,335)
	Total Liabilities & Equity		28,688

R-541

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

**For Period Ending
08/31/10**

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 August 31, 2010.

R-541

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

**For Period Ending
08/31/10**

Line		Qtr Ending 05/31/10	Qtr Ending 08/31/10	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	10,667	64,457	53,790
	Liquidation Oversight & Special Master's Fees	1,247	2,631	1,384
	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	1,038,688	1,177,871	139,183
	Reserves	1,371,897	994,496	(377,401)
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	2,981,067	2,798,023	(183,044)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(2,937,287)	(2,769,335)	167,952
	Total Liabilities & Equity	43,780	28,688	(15,092)

R-541

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

**For Period Ending
08/31/10**

Line	Qtr Ending Aug-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	0
11 Total Operational Receipts	0
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	9
Operational Expenses	
16 Deputy Receiver & Consulting Fees & Expenses	8,884
17 Employee Salaries, P/R Taxes & Employee Benefits	0
18 Rent, Office & Other Facility Expenses	946
19 Legal Fees & Expenses	1,556
20 Accounting & Auditing Fees & Expenses	827
21 SGA - Administration Expenses other than LAE	18
22 Ancillary Administration Expenses	1,247
23 Other Disbursements	0
24 Total Operational Disbursements	13,478
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	15,101
34 Net Increase(Decrease) in Cash	(15,092)
35 Cash at Beginning of Period	37,797
36 Cash at End of Period	22,705

29.2 Represents invoices paid to Ramquest-claims