

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

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND
SUMMARY STATEMENT OF EXPENSES
(SEPTEMBER 1, 2010 THROUGH NOVEMBER 30, 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 September 1, 2010 to November 30, 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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And

By: /s/ Jo Ann Howard
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its capacity as the Special Deputy Receiver of
Esquire Title, LLC

CERTIFICATE OF SERVICE

I certify that on December 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

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

**For Period Ending
11/30/10**

		Total Sep	Total Oct	Total Nov	Total Quarter
SDR					
Cantilo & Bennett, LLP					
	Partner/Attorney/	9,750.00	10,065.00	9,585.00	29,400.00
	Partner/Attorney Travel	75.00			75.00
	Partner/Attorney/	30.00			30.00
	Partner/Attorney Travel				0.00
	Partner/Attorney/		12.50	137.50	150.00
	Partner/Attorney Travel				
	Attorney/Associate/				0.00
	Attorney/Associate Travel				0.00
	Receivership Specialist/		252.00	450.00	702.00
	Receivership Specialist	1,248.00			1,248.00
	Receivership Specialist Travel				
	Receivership Specialist/				0.00
	Credit				0.00
	Expenses	64.51	1,543.80	3.08	1,611.39
Total SDR Billing		11,167.51	11,873.30	10,175.58	33,216.39
SDR Subcontractors - Legal					
Jo Ann Howard & Associates, P.C.					
	Senior Legal Specialist				0.00
	Senior Legal Specialist	460.00	660.00	2,980.00	4,100.00
	Junior Legal Specialist/				0.00
	Junior Legal Specialist-Travel				0.00
	Junior Legal Specialist				0.00
	Paralegal/	135.00			135.00
	Expenses	6.31			6.31
	Total Billing	601.31	660.00	2,980.00	4,241.31
Total Legal Subcontractors		601.31	660.00	2,980.00	4,241.31
SDR Subcontractors - Other					
Petrosewicz & Company, Inc.					
	Accountant-Principal/	225.00	150.00	195.00	570.00
	Accountant-Principal Travel				0.00
	Senior Accountant			625.00	625.00
	Senior Accountant-Travel				0.00
	Accountant				0.00
	Accountant				0.00

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

**For Period Ending
11/30/10**

	Accountant/		459.00	810.00	333.00	1,602.00
	Clerical/				7.50	7.50
	Expenses		8.57	16.37	12.20	37.14
	Total Billing		692.57	976.37	1,172.70	2,841.64
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/		42.50			42.50
	Claims Manager					0.00
S&o	Claims Manager Travel					0.00
	Claims Representative/					0.00
	Claims Representative		90.00			90.00
	Claims Representative/		357.50			357.50
	Claims Representative/					
	Claims Representative Travel					0.00
S&O	Claims Representative/		130.50	364.50	247.50	742.50
	Claims Representative		7.50	27.50	37.50	72.50
S&O	Claims Representative Travel		58.50	87.75	87.75	234.00
	Records Management					0.00
	Credit					0.00
	Expenses					0.00
			686.50	479.75	372.75	1,539.00
Total Other SDR Subcontractors						
			1,379.07	1,456.12	1,545.45	4,380.64
Receivership Service Providers						
Public Storage-Offsite Storage						
			118.00		256.00	374.00
RamQuest Software (Claims Software System)						
			541.25	541.25	541.25	1,623.75
Safesite, Inc.-Offsite Storage (Austin)						
				197.50	395.00	592.50
Operating Account						
				7.50		7.50
Texas Treasury						
						0.00

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Esquire Title, LLC, in Receivership
Statement of Expenses

For Period Ending
11/30/10

Total Other		659.25	746.25	1,192.25	2,597.75	
Liquidation Oversight Allocation						
	RLO Allocation	934.72	1,102.04	1,464.65	3,501.41	
	Special Master's Fees	0.00		1,731.61	1,731.61	
Total RLO & SM Expense		934.72	1,102.04	3,196.26	5,233.02	
	Total Expenses	14,741.86	15,837.71	19,089.54	49,669.11	

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Esquire Title, LLC, in Receivership
Statement of Net Assets

For the Period Ending
11/30/10

Line		11/30/10
Cash		
1	Cash	
	Cash - Unrestricted	21,442
	APF Funds	17,058
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	38,500
19	Total Restricted Assets	5,983
19A	Net Assets not Categorized	
20	Total Assets	44,483

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

**For the Period Ending
11/30/10**

NOTES

- 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
11/30/10**

Line		Qtr Ending 08/31/10	Qtr Ending 11/30/10	Change
Cash				
1	Cash			0
	Cash - Unrestricted	5,656	21,442	15,786
	APF Funds	17,049	17,058	9
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		0	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	0
18	Total Unrestricted Assets	22,705	38,500	15,795
19	Total Restricted Assets	5,983	5,983	0
19A	Net Assets not Categorized		0	0
20	Total Assets	28,688	44,483	15,795

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

**For Period Ending
11/30/10**

Line		Class	11/30/10
1	Secured Claims	1	5,983
	APF Loan	1	549,142
2	Special Deposit Claims	1	
Administrative			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	14,899
	Liquidation Oversight & Special Master's Fees	1	3,196
	Other Unsecured Loans	1	
4	Administrative Claims - Guaranty Assns	1	
	Claims Paid		334,665
	Reserves		
5	LAE - Guaranty Assns	1	
	Claims Paid		
	Reserves		
Loss Claims			
6	Loss Claims - Guaranty Assns	2	
	Loss Claims Paid		242,373
	Reserves		1,139,900
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		2,293,601
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(2,249,118)
	Total Liabilities & Equity		44,483

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

**For Period Ending
11/30/10**

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.
- 1 ABF Loan - represents a loan from the Texas Abandoned Property Fund.
- 4 Reflects TTIGA administrative fees since inception of receivership
- 6 Represents adjudicated claims information received from the Texas Title Insurance Guaranty Association (TTIGA) as of October 31, 2010. No November report was received.

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Esquire Title, LLC, in Receivership
Changes in Net Liabilities

For Period Ending
11/30/10

Line		Qtr Ending 08/31/10	Qtr Ending 11/30/10	Change
1	Secured Claims	5,983	5,983	0
	APF Loan	549,142	549,142	0
2	Special Deposit Claims			0
Administrative				
3	Administrative Claims - State/Receiver	0	0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	64,457	14,899	(49,558)
	Liquidation Oversight & Special Master's Fees	2,631	3,196	565
	Other Unsecured Loans	0	0	0
4	Administrative Claims - Guaranty Assns	0	0	0
	Claims Paid	0	334,665	334,665
	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	1,177,871	242,373	(935,498)
	Reserves	994,496	1,139,900	145,404
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	2,798,023	2,293,601	(504,422)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(2,769,335)	(2,249,118)	520,217
	Total Liabilities & Equity	28,688	44,483	15,795

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

**For Period Ending
11/30/10**

Line		Qtr Ending Nov-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	114,449
11	Total Operational Receipts	114,449
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	114,458
Operational Expenses		
16	Deputy Receiver & Consulting Fees & Expenses	69,781
17	Employee Salaries, P/R Taxes & Employee Benefits	0
18	Rent, Office & Other Facility Expenses	770
19	Legal Fees & Expenses	14,369
20	Accounting & Auditing Fees & Expenses	4,394
21	SGA - Administration Expenses other than LAE	8
22	Ancillary Administration Expenses	7,718
23	Other Disbursements	0
24	Total Operational Disbursements	97,040
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

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

**For Period Ending
11/30/10**

Line		Qtr Ending Nov-10
33	Total Cash Disbursements & Distributions	98,663
34	Net Increase(Decrease) in Cash	15,795
35	<i>Cash at Beginning of Period</i>	22,705
36	<i>Cash at End of Period</i>	38,500

10 Represents reimbursement of expenses from TTIGA pursuant to cost sharing agreement.