

STATE OF TEXAS,  
Plaintiff

v.

ESQUIRE TITLE, LLC,  
Defendant

§  
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§  
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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  
(DECEMBER 1, 2010 THROUGH FEBRUARY 28, 2011)**

**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, 2010 to February 28, 2011. 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

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 March 15, 2011, 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

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

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

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

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

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

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. 15<sup>th</sup> Street  
Austin, TX 78778-0001

Internal Revenue Service  
Special Procedures Branch  
P.O. Box 250  
300 East 8<sup>th</sup> 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

Joseph N. West  
CANTILO & BENNETT, L.L.P.  
Special Deputy Receiver  
11401 Century Oaks Terrace, Ste. 300  
Austin, TX 78758  
jnwest@cb-firm.com

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

**For Period Ending  
02/28/11**

		Total Dec	Total Jan	Total Feb	Total Quarter
<b>SDR</b>					
Cantilo & Bennett, LLP					
	Partner/Attorney/	9,240.00	6,780.00	6,090.00	22,110.00
	Partner/Attorney Travel	75.00	97.50	0.00	172.50
	Partner/Attorney/	60.00	120.00	15.00	195.00
	Partner/Attorney/	212.50	150.00	293.75	656.25
	Partner/Attorney Travel	0.00	0.00	0.00	0.00
	Receivership Specialist/	630.00	0.00	0.00	630.00
	Receivership Specialist	684.00	24.00	0.00	708.00
	Receivership Specialist/	0.00	0.00	0.00	0.00
	Credit	0.00	(75.00)	0.00	(75.00)
	Expenses	5.65	1.76	9.51	16.92
<b>Total SDR Billing</b>		<b>10,907.15</b>	<b>7,098.26</b>	<b>6,408.26</b>	<b>24,413.67</b>
<b>SDR Subcontractors - Legal</b>					
Jo Ann Howard & Associates, P.C.					
	Senior Legal Specialist	2,620.00	740.00	620.00	3,980.00
	Junior Legal Specialist/	0.00	0.00	0.00	0.00
	Paralegal/	207.00	0.00	0.00	207.00
	Expenses	593.13	126.00	0.00	719.13
<b>Total Billing</b>		<b>3,420.13</b>	<b>866.00</b>	<b>620.00</b>	<b>4,906.13</b>
<b>Total Legal Subcontractors</b>		<b>3,420.13</b>	<b>866.00</b>	<b>620.00</b>	<b>4,906.13</b>
<b>SDR Subcontractors - Other</b>					
Petrosewicz & Company, Inc.					
	Accountant-Principal/	225.00	180.00	180.00	585.00
	Accountant/	549.00	639.00	549.00	1,737.00
	Clerical/	0.00	0.00	0.00	0.00
	Expenses	12.97	15.58	10.89	39.44
<b>Total Billing</b>		<b>786.97</b>	<b>834.58</b>	<b>739.89</b>	<b>2,361.44</b>
EMKAY Associates					
s&o	Claims Manager/	51.00	68.00	0.00	119.00
	Claims Representative	0.00	22.50	0.00	22.50
	Claims Representative/	97.50	0.00	0.00	97.50
	Claims Representative/	17.50	0.00	0.00	17.50
	Claims Representative Travel	0.00	0.00	0.00	0.00
S&O	Claims Representative/	216.00	382.50	234.00	832.50
	Claims Representative	20.00	62.50	10.00	92.50
S&O	Claims Representative Travel	87.75	58.50	58.50	204.75
	Records Management	0.00	0.00	0.00	0.00
		<b>489.75</b>	<b>594.00</b>	<b>302.50</b>	<b>1,386.25</b>
<b>Total Other SDR Subcontractors</b>		<b>1,276.72</b>	<b>1,428.58</b>	<b>1,042.39</b>	<b>3,747.69</b>
<b>Receivership Service Providers</b>					
Public Storage-Offsite Storage					
		118.00	118.00	118.00	354.00

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

**For Period Ending  
02/28/11**

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		0.00	7.50	7.50	15.00
Texas Treasury		0.00	10.29	0.00	10.29
<b>Total Other</b>		<b>856.75</b>	<b>874.54</b>	<b>864.25</b>	<b>2,595.54</b>
<b>Liquidation Oversight Allocation</b>					
RLO Allocation		1,423.69	1,689.35	963.77	4,076.81
Special Master's Fees		0.00	1,488.18	48.38	1,536.56
<b>Total RLO &amp; SM Expense</b>		<b>1,423.69</b>	<b>3,177.53</b>	<b>1,012.15</b>	<b>5,613.37</b>
<b>Total Expenses</b>		<b>17,884.44</b>	<b>13,444.91</b>	<b>9,947.05</b>	<b>41,276.40</b>

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

**For the Period Ending**  
**02/28/11**

Line		02/28/11
<b>Cash</b>		
1	Cash	
	Cash - Unrestricted	17,038
	APF Funds	10,053
<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>	27,091
19	<b>Total Restricted Assets</b>	5,983
19A	Net Assets not Categorized	
20	<b>Total Assets</b>	33,074

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

**For the Period Ending  
02/28/11**

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**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**  
**02/28/11**

Line		Qtr Ending 11/30/10	Qtr Ending 02/28/11	Change
<b>Cash</b>				
1	Cash			
	Cash - Unrestricted	21,442	17,038	(4,404)
	APF Funds	17,058	10,053	(7,005)
<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>	<b>38,500</b>	<b>27,091</b>	<b>(11,409)</b>
19	<b>Total Restricted Assets</b>	<b>5,983</b>	<b>5,983</b>	<b>0</b>
19A	Net Assets not Categorized	0	0	0
20	<b>Total Assets</b>	<b>44,483</b>	<b>33,074</b>	<b>(11,409)</b>

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

**For Period Ending  
02/28/11**

Line		Class	02/28/11
1	Secured Claims	1	5,983
	APF Loan	1	549,142
2	Special Deposit Claims	1	
<b>Administrative</b>			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	36,710
	Liquidation Oversight & Special Master's Fees	1	1,012
	Other Unsecured Loans	1	
4	Administrative Claims - Guaranty Assns	1	
	Claims Paid		334,665
	Reserves		
5	LAE - Guaranty Assns	1	
	Claims Paid		
	Reserves		
<b>Loss Claims</b>			
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	
<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>		<b>2,313,228</b>
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		<b>(2,280,154)</b>
	<b>Total Liabilities &amp; Equity</b>		<b>33,074</b>

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

**For Period Ending  
02/28/11**

**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 January 31, 2011.

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

For Period Ending  
02/28/11

Line		Qtr Ending 11/30/10	Qtr Ending 02/28/11	Change
1	Secured Claims	5,983	5,983	0
	APF Loan	549,142	549,142	0
2	Special Deposit Claims		0	0
<b>Administrative</b>				
3	Administrative Claims - State/Receiver	0	0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	14,899	36,710	21,811
	Liquidation Oversight & Special Master's Fees	3,196	1,012	(2,184)
	Other Unsecured Loans	0	0	0
4	Administrative Claims - Guaranty Assns	0	0	0
	Claims Paid	334,665	334,665	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	242,373	242,373	0
	Reserves	1,139,900	1,139,900	0
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>	2,293,601	2,313,228	19,627
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(2,249,118)	(2,280,154)	(31,036)
	<b>Total Liabilities &amp; Equity</b>	44,483	33,074	(11,409)

R-541 Esquire Title, LLC, in Receivership  
Sources & Uses of Cash

For Period Ending  
02/28/11

Line		Qtr Ending Feb-11
<b>Income</b>		
1	Premium Receipts	0
2	Settlements	0
3	Policy Loan Receipts	0
4	Proceeds from Sale of Real or Personal	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	10,234
11	<b>Total Operational Receipts</b>	<b>10,234</b>
12	Interest & Dividend Receipts	5
13	Net Cash Provided by Investment Activities	0
14	<b>Total Cash Receipts from Investment</b>	<b>5</b>
15	<b>Total Cash Receipts</b>	<b>10,239</b>
<b>Operational Expenses</b>		
16	Deputy Receiver & Consulting Fees &	11,038
17	Employee Salaries, P/R Taxes & Employee	0
18	Rent, Office & Other Facility Expenses	1,143
19	Legal Fees & Expenses	6,400
20	Accounting & Auditing Fees & Expenses	1,960
21	SGA - Administration Expenses other than LAE	25
22	Ancillary Administration Expenses	0
23	Other Disbursements	0
24	<b>Total Operational Disbursements</b>	<b>20,566</b>
<b>Investment Expenses</b>		
25	Investment Expenses	0
26	Purchase of Invested Assets	0
27	<b>Total Disbursements for Investment</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	0
29.1	LAE Payments - SGA	0
29.2	LAE Payments - non SGA	1,082
30	Early Access Payments	0
31	Reinsurance Payments	0
32	<b>Total Cash Distributions</b>	<b>1,082</b>
33	<b>Total Cash Disbursements &amp; Distributions</b>	<b>21,648</b>
34	<b>Net Increase(Decrease) in Cash</b>	<b>(11,409)</b>
35	<b>Cash at Beginning of Period</b>	<b>38,500</b>
36	<b>Cash at End of Period</b>	<b>27,091</b>

<sup>10</sup> Represents reimbursement of expenses from TTIGA pursuant to cost sharing agreement.