

NO. D-1-GV-08-002014

STATE OF TEXAS,
Plaintiff

v.

AMERITRUST TITLE COMPANY,
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
(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 Ameritrust Title Company, (the “SDR” and “Ameritrust” 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 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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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 TEX. INS. CODE ANN., § 443.007 on the following:

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Christopher Fuller

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**Ameritrust Title
Statement of Expenses**

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

		Total June	Total July	Total Aug	Total Quarter
SDR					
Cantilo & Bennett, LLP					
	Partner/Attorney/	5,160.00	6,585.00	5,640.00	17,385.00
	Partner/Attorney Travel/ S Salch	75.00			75.00
	Partner/Attorney	125.00		25.00	150.00
	Partner/Attorney Travel				0.00
	Attorney/Associate				0.00
	Attorney/Associate				0.00
	Attorney/Associate Travel				0.00
	Receivership Specialist/	63.00			63.00
	Receivership Specialist				0.00
	Expenses	3.05	0.88	25.32	29.25
Total SDR Billing		5,426.05	6,585.88	5,690.32	17,702.25
SDR Subcontractors - Legal					
Jo Ann Howard & Associates, P.C.					
	Senior Legal Specialist/	2,360.00	4,180.00	2,140.00	8,680.00
	Senior Legal Specialist-Travel/ C Fuller				0.00
	Senior Legal Specialist/	2,060.00			2,060.00
	Senior Legal Specialist-Travel/ C Fuller				0.00
	Junior Legal Specialist				0.00
	Junior Legal Specialist-Travel				0.00
	Junior Legal Specialist				0.00
	Paralegal/	81.00	54.00		135.00
	Expenses	17.40	131.31	125.00	273.71
Total Billing		4,518.40	4,365.31	2,265.00	11,148.71
Total Legal Subcontractors		4,518.40	4,365.31	2,265.00	11,148.71
SDR Subcontractors - Other					
Petrosewicz & Company, Inc					
	Accountant-Principal/	300.00	405.00	315.00	1,020.00
	Accountant-Principal Travel				0.00
	Senior Accountant				0.00
	Senior Accountant-Travel				0.00
	Accountant/Claims Specialist				0.00
	Accountant/Claims Specialist-Travel				0.00
	Accountant	738.00	513.00	783.00	2,034.00
	Accountant				0.00
	Clerical/				0.00

	Clerical Travel				0.00
	Expenses	11.51	11.39	13.61	36.51
	Total Billing	1,049.51	929.39	1,111.61	3,090.51
EMKAY Associates					
	Claims Manager/	59.50	348.50		408.00
	Claims Manager		25.00		25.00
	Claims Manager		36.00		36.00
	Claims Representative/				0.00
	Claims Representative Travel				0.00
	Claims Representative	45.00	75.00		120.00
	Claims Representative Travel				0.00
	Claims Representative	32.50	351.00		383.50
	Claims Representative Travel		65.00		65.00
	Claims Representative/			54.00	54.00
	Claims Representative				0.00
	Claims Representative Travel				0.00
	Records Management				0.00
	Expenses				0.00
	Total Billing	137.00	900.50	54.00	1,091.50
Total Other SDR Subcontractors		1,186.51	1,829.89	1,165.61	4,182.01
Receivership Service Providers					
	SafeSite	50.00	50.00	50.00	150.00
	Operating Account	0.00	0.00	0.00	0.00
	Texas Treasury	11.36	11.32	11.36	34.04
Total Other		61.36	61.32	61.36	184.04
Liquidation Oversight Allocation					
	RLO Allocation	1,045.08	903.23	1,049.30	2,997.61
	Special Master's Fees	7.88	0.00	362.49	370.37
Total RLO & SM Expense		1,052.96	903.23	1,411.79	3,367.98
Total Expenses		12,245.28	13,745.63	10,594.08	36,584.99

**Ameritrust Title
Statement of Net Assets**

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

Line		08/31/10
Cash		
1	Cash - Unrestricted	101,218
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	
18	Total Unrestricted Assets	101,218
19	Total Restricted Assets	0
19A	Net Assets not Categorized	
20	Total Assets	101,218

NOTES

Ref No.

R-546

**Ameritrust Title
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	141,673	101,218	(40,455)
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	0	0	0
18	Total Unrestricted Assets	141,673	101,218	(40,455)
19	Total Restricted Assets	0	0	0
19A	Net Assets not Categorized	0	0	0
20	Total Assets	141,673	101,218	(40,455)

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**Ameritrust Title
Statement of Net Liabilities**

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

Line		Class	08/31/10
1	Secured Claims	1	
2	Special Deposit Claims	1	
Administrative			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	9,121
	Liquidation Oversight & Special Master's Fees	1	1,412
	Unsecured Loans	1	250,000
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		75,000
	Reserves		574,667
7	Loss Claims - Other	2	
	Loss Claims Paid		
	Reserves		862,183
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	
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		1,772,383
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(1,671,165)
	Total Liabilities & Equity		101,218

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**Ameritrust Title
Statement of Net Liabilities**

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

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

3 The Unsecured Loan represents amounts received from the Texas Abandoned Property Fund.

6 Represents amounts from the August 31, 2010 TTIGA report.

7 Represents amounts reserved based on information obtained from Texas Department of Insurance records as of the receivership date adjusted by the amounts reported by TTIGA through August 31, 2010.

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**Ameritrust Title
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	0	0	0
2	Special Deposit Claims	0	0	0
Administrative				
3	Administrative Claims - State/Receiver	0	0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	13,625	9,121	(4,504)
	Liquidation Oversight & Special Master's Fees	815	1,412	597
	Unsecured Loans	250,000	250,000	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	75,000	75,000	0
	Reserves	756,809	574,667	(182,142)
7	Loss Claims - Other	0	0	0
	Loss Claims Paid	0	0	0
	Reserves	680,041	862,183	182,142
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)	0	0	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	1,776,290	1,772,383	(3,907)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(1,634,617)	(1,671,165)	(36,548)
	Total Liabilities & Equity	141,673	101,218	(40,455)

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**Ameritrust Title
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	37
13 Net Cash Provided by Investment Activities	0
14 Total Cash Receipts from Investment Activities	37
15 Total Cash Receipts	37
Operational Expenses	
16 Deputy Receiver & Consulting Fees & Expenses	20,325
17 Employee Salaries, P/R Taxes & Employee Benefits	0
18 Rent, Office & Other Facility Expenses	150
19 Legal Fees & Expenses	14,118
20 Accounting & Auditing Fees & Expenses	3,095
21 SGA - Administration Expenses other than LAE	33
22 Ancillary Administration Expenses	2,771
23 Other Disbursements	0
24 Total Operational Disbursements	40,492
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	0
30 Early Access Payments	0
31 Reinsurance Payments	0
32 Total Cash Distributions	0
33 Total Cash Disbursements & Distributions	40,492
34 Net Increase(Decrease) in Cash	(40,455)
35 Cash at Beginning of Period	141,673
36 Cash at End of Period	101,218