

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  
(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 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 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 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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Ameritrust Title Company

And

By: /s/ Jo Ann Howard  
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its capacity as the Special Deputy Receiver of  
Ameritrust Title Company

**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 TEX. INS. CODE ANN., § 443.007 on the following:

/s/ Christopher Fuller  
Christopher Fuller

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**Ameritrust Title  
Statement of Expenses**

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

		Total Sept	Total Oct	Total Nov	Total Quarter
<b>SDR</b>					
Cantilo & Bennett, LLP					
	Partner/Attorney/	7,110.00	4,695.00	2,190.00	13,995.00
	Partner/Attorney Travel/ S Salch	75.00			75.00
	Partner/Attorney				0.00
	Partner/Attorney Travel				0.00
	Attorney/Associate				0.00
	Attorney/Associate				0.00
	Attorney/Associate Travel				0.00
	Receivership Specialist/	252.00		18.00	270.00
	Receivership Specialist				0.00
	Expenses	24.00	60.77	2.20	86.97
<b>Total SDR Billing</b>		<b>7,461.00</b>	<b>4,755.77</b>	<b>2,210.20</b>	<b>14,426.97</b>
<b>SDR Subcontractors - Legal</b>					
Jo Ann Howard & Associates, P.C.					
	Senior Legal Specialist/	4,140.00	2,260.00	380.00	6,780.00
	Senior Legal Specialist-Travel/ C Fuller				0.00
	Senior Legal Specialist/				0.00
	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/	153.00			153.00
	Expenses	685.11			685.11
<b>Total Billing</b>		<b>4,978.11</b>	<b>2,260.00</b>	<b>380.00</b>	<b>7,618.11</b>
<b>Total Legal Subcontractors</b>		<b>4,978.11</b>	<b>2,260.00</b>	<b>380.00</b>	<b>7,618.11</b>
<b>SDR Subcontractors - Other</b>					
Petrosewicz & Company, Inc					
	Accountant-Principal/	345.00	240.00	270.00	855.00
	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	576.00	612.00	513.00	1,701.00
	Accountant				0.00
	Clerical/			7.50	7.50

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**Ameritrust Title  
Statement of Expenses**

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

	Clerical Travel				0.00
	Expenses	12.74	13.52	9.70	35.96
	<b>Total Billing</b>	<b>933.74</b>	<b>865.52</b>	<b>800.20</b>	<b>2,599.46</b>
<b>EMKAY Associates</b>					
	Claims Manager/	450.50	25.50		476.00
	Claims Manager				0.00
	Claims Manager				0.00
	Claims Representative/				0.00
	Claims Representative Travel				0.00
	Claims Representative	45.00			45.00
	Claims Representative Travel				0.00
	Claims Representative	1,001.00	19.50		1,020.50
	Claims Representative Travel				0.00
	Claims Representative/	13.50		31.50	45.00
	Claims Representative				0.00
	Claims Representative Travel				0.00
	Records Management				0.00
	Expenses				0.00
	<b>Total Billing</b>	<b>1,510.00</b>	<b>45.00</b>	<b>31.50</b>	<b>1,586.50</b>
<b>Total Other SDR Subcontractors</b>		<b>2,443.74</b>	<b>910.52</b>	<b>831.70</b>	<b>4,185.96</b>
<b>Receivership Service Providers</b>					
SafeSite					
		50.00	50.00	50.00	150.00
Operating Account					
		7.50	7.50	15.00	30.00
Texas Treasury					
		11.36			11.36
<b>Total Other</b>		<b>68.86</b>	<b>57.50</b>	<b>65.00</b>	<b>191.36</b>
<b>Liquidation Oversight Allocation</b>					
RLO Allocation					
		829.87	1,193.43	793.55	2,816.85
Special Master's Fees					
				391.62	391.62
<b>Total RLO &amp; SM Expense</b>		<b>829.87</b>	<b>1,193.43</b>	<b>1,185.17</b>	<b>3,208.47</b>
<b>Total Expenses</b>		<b>15,781.58</b>	<b>9,177.22</b>	<b>4,672.07</b>	<b>29,630.87</b>

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**Ameritrust Title  
Statement of Net Assets**

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

Line		11/30/10
<b>Cash</b>		
1	Cash	
	Cash - Unrestricted	28,644
	APF Funds	80,057
<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	
18	<b>Total Unrestricted Assets</b>	108,701
19	<b>Total Restricted Assets</b>	0
19A	Net Assets not Categorized	
20	<b>Total Assets</b>	108,701

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**Ameritrust Title  
Changes in Net Assets**

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

Line		Qtr Ending 08/31/10	Qtr Ending 11/30/10	Change
<b>Cash</b>				
1	Cash			0
	Cash - Unrestricted	21,189	28,644	7,455
	APF Funds	80,029	80,057	28
<b>Investments</b>				
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
<b>Reinsurance</b>				
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
<b>Receivables</b>				
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
<b>Other Assets</b>				
15.1	FF&E		0	0
15.2	Prepaid Expenses		0	0
16	Other Assets		0	0
<b>Restricted Assets</b>				
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		0	0
18	<b>Total Unrestricted Assets</b>	101,218	108,701	7,483
19	<b>Total Restricted Assets</b>	0	0	0
19A	Net Assets not Categorized		0	0
20	<b>Total Assets</b>	101,218	108,701	7,483

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**Ameritrust Title  
Statement of Net Liabilities**

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

Line		Class	11/30/10
1	Secured Claims	1	
	APF Loan	1	250,000
2	Special Deposit Claims	1	
<b>Administrative</b>			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	3,422
	Liquidation Oversight & Special Master's Fees	1	1,185
	Other Unsecured Loans	1	
4	Administrative Claims - Guaranty Assns	1	
	Claims Paid		
	Reserves		179,923
5	LAE - Guaranty Assns	1	
	Claims Paid		
	Reserves		
<b>Loss Claims</b>			
6	Loss Claims - Guaranty Assns	2	
	Loss Claims Paid		75,000
	Reserves		70,164
7	Loss Claims - Other	2	
	Loss Claims Paid		
	Reserves		1,366,686
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	
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>		1,946,380
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(1,837,679)
	<b>Total Liabilities &amp; Equity</b>		108,701

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**Ameritrust Title  
Statement of Net Liabilities**

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

**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.

4 Reflects amount on TTIGA administrative expense Proof of Claim as of November 30, 2010.

6 Represents amounts from the November 30, 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 November 30, 2010.

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**Ameritrust Title  
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			0
	APF Loan	250,000	250,000	0
2	Special Deposit Claims		0	0
<b>Administrative</b>				
3	Administrative Claims - State/Receiver		0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	9,121	3,422	(5,699)
	Liquidation Oversight & Special Master's Fees	1,412	1,185	(227)
	Other Unsecured Loans		0	0
4	Administrative Claims - Guaranty Assns		0	0
	Claims Paid		0	0
	Reserves		179,923	179,923
5	LAE - Guaranty Assns		0	0
	Claims Paid		0	0
	Reserves		0	0
<b>Loss Claims</b>				
6	Loss Claims - Guaranty Assns		0	0
	Loss Claims Paid	75,000	75,000	0
	Reserves	574,667	70,164	(504,503)
7	Loss Claims - Other		0	0
	Loss Claims Paid		0	0
	Reserves	862,183	1,366,686	504,503
8	LAE - Other		0	0
9	Unearned & Advance Premium Claims (Non Assessable Policies) - GA		0	0
10	Unearned & Advance Premium Claims (Non Assessable Policies) - Other		0	0
18	Unearned Premium Claims (Assessable Policies) - GA		0	0
<b>Other Creditors</b>				
11	Federal Government Claims		0	0
12	Employee Claims		0	0
13	General Unsecured Creditor Claims (Other than Reinsurance Related)		0	0
14	Ceded Reinsurance Related Unsecured Claims		0	0
14.1	Assumed Reinsurance Related Unsecured Claims		0	0
15	State & Local Government Claims		0	0
	State & Local Governments/Attorneys		0	0
	State & Local Governments - Penalties		0	0
16	Late Filed Claims - Unexcused		0	0
17	Surplus Notes		0	0
19	Unearned Premium Claims (Assessable Policies) - Other		0	0
20	Shareholder Claims		0	0
21	Other Liabilities		0	0
	Interest		0	0
	Other		0	0
22	<b>Total Liabilities</b>	<b>1,772,383</b>	<b>1,946,380</b>	<b>173,997</b>
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(1,671,165)	(1,837,679)	(166,514)
	<b>Total Liabilities &amp; Equity</b>	<b>101,218</b>	<b>108,701</b>	<b>7,483</b>

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**Ameritrust Title  
Sources & Uses of Cash**

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

Line		Qtr Ending Nov-10
<b>Income</b>		
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	43,001
11	<b>Total Operational Receipts</b>	<b>43,001</b>
12	Interest & Dividend Receipts	38
13	Net Cash Provided by Investment Activities	0
14	<b>Total Cash Receipts from Investment Activities</b>	<b>38</b>
15	<b>Total Cash Receipts</b>	<b>43,039</b>
<b>Operational Expenses</b>		
16	Deputy Receiver & Consulting Fees & Expenses	19,515
17	Employee Salaries, P/R Taxes & Employee Benefits	0
18	Rent, Office & Other Facility Expenses	150
19	Legal Fees & Expenses	9,503
20	Accounting & Auditing Fees & Expenses	2,912
21	SGA - Administration Expenses other than LAE	3,435
22	Ancillary Administration Expenses	41
23	Other Disbursements	0
24	<b>Total Operational Disbursements</b>	<b>35,556</b>
<b>Investment Expenses</b>		
25	Investment Expenses	0
26	Purchase of Invested Assets	0
27	<b>Total Disbursements for Investment Activities</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 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	<b>Total Cash Distributions</b>	<b>0</b>

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**Ameritrust Title  
Sources & Uses of Cash**

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

<b>Line</b>		<b>Qtr Ending Nov-10</b>
33	<b>Total Cash Disbursements &amp; Distributions</b>	35,556
34	<b>Net Increase(Decrease) in Cash</b>	7,483
35	<b><i>Cash at Beginning of Period</i></b>	101,218
36	<b><i>Cash at End of Period</i></b>	108,701

Reimbursements from TTIGA per cost sharing agreement  
10 (\$39,487) and amount received from Unclaimed Property Fund  
\$3,514.