

NO. D-1-GV-08-002014

<b>STATE OF TEXAS,</b>	§	<b>IN THE DISTRICT COURT OF</b>
<b>Plaintiff</b>	§	
	§	
<b>v.</b>	§	<b>TRAVIS COUNTY, TEXAS</b>
	§	
<b>AMERITRUST TITLE COMPANY,</b>	§	
<b>Defendant</b>	§	<b>261st JUDICIAL DISTRICT</b>

**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 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 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 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  
Ameritrust Title Company

And

/s/ Jo Ann Howard

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  
Ameritrust Title Company

**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 TEX. INS. CODE ANN., § 443.007 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  
P.O. Box 12548  
Austin, TX 78711-2548  
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

Carlos A. Leon  
The Leon Law Firm, P.C.  
Comerica Bank Building  
One Sugar Creek Center Blvd., Suite 980  
Sugar Land, Texas 77478  
cleon@theleonlawfirm.com

Alison H. Moore  
Thompson, Coe, Cousins & Irons, L.L.P.  
700 N. Pearl St., 25th floor  
Dallas, TX 75201  
amoore@thompsoncoe.com

Claire W. Parsons  
Attorney at Law  
Wilson Elser Moskowitz Edelman & Dicker  
LLP  
5847 San Felipe, Suite 2300  
Houston, TX 77057-4033  
claire.parsons@wilsonelser.com

Norman Riedmueller  
Norman Riedmueller PC & Associates  
6800 West Loop South, Suite 325  
Bellaire, TX 77401-4528  
riedmueller@covad.net

Paul J. McConnell, III  
DeLange, Hudspeth, McConnell & Tibbets,  
L.L.P.  
1177 West Loop South, Suite 1700  
Houston, Texas 77027  
Fax (713) 871-2020  
pmccConnell@dhmtlaw.com

Internal Revenue Service  
Special Procedures Branch  
P.O. Box 250  
300 East 8th St., Ste. 352, Mail Stop 5022A  
Austin, TX 78701

Felicia Kyle  
Sutherland Asbill & Brennan LLP  
909 Fannin Street, Suite 2200  
Houston, TX 77010  
felicia.kyle@sutherland.com

Glenn P. Valentine  
Hughes Watters Askanase, LLP  
Three Allen Center  
333 Clay, 29th Floor  
Houston, TX 77002  
gvalentine@hwa.com

Paul Colley, Jr.  
Hopkins Law, P.L.L.C  
3821 Juniper Trace, Ste 107  
Austin, TX 78738  
kelley@colleylaw.net

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

Myra Garrett  
Texas Department of Insurance  
Financial/Rehabilitation & Liquidation  
Oversight Division  
333 Guadalupe, Mail Code 305-1D  
Austin, TX 78701  
Myra.Garrett@tdi.state.tx.us

Kathy Gartner  
Texas Department of Insurance  
Financial/Rehabilitation & Liquidation  
Oversight Division  
333 Guadalupe, Mail Code 305-1D  
Austin, TX 78701  
Kathy.Gartner@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

Ameritrust Title  
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/	2,265.00	3,600.00	1,845.00	7,710.00
Partner/Attorney Travel/ S Salch	0.00	37.50	0.00	37.50
Receivership Specialist/	0.00	0.00	72.00	72.00
Receivership Specialist	0.00	0.00	0.00	0.00
Expenses	0.44	6.95	2.20	9.59
<b>Total SDR Billing</b>	<b>2,265.44</b>	<b>3,644.45</b>	<b>1,919.20</b>	<b>7,829.09</b>
<b>SDR Subcontractors - Legal</b>				
Jo Ann Howard & Associates, P.C.				
Senior Legal Specialist/	700.00	1,260.00	400.00	2,360.00
Senior Legal Specialist-Travel/ C Fuller	0.00	0.00	0.00	0.00
Paralegal/	153.00	0.00	0.00	153.00
Expenses	19.31	13.00	0.00	32.31
<b>Total Billing</b>	<b>872.31</b>	<b>1,273.00</b>	<b>400.00</b>	<b>2,545.31</b>
<b>Total Legal Subcontractors</b>	<b>872.31</b>	<b>1,273.00</b>	<b>400.00</b>	<b>2,545.31</b>
<b>SDR Subcontractors - Other</b>				
Petrosewicz & Company, Inc				
Accountant-Principal/	195.00	165.00	255.00	615.00
Accountant	450.00	558.00	441.00	1,449.00
Clerical Travel	0.00	0.00	0.00	0.00
Expenses	10.96	14.18	10.61	35.75
<b>Total Billing</b>	<b>655.96</b>	<b>737.18</b>	<b>706.61</b>	<b>2,099.75</b>
EMKAY Associates				
Claims Manager/	0.00	0.00	0.00	0.00
Claims Manager	0.00	0.00	0.00	0.00
Claims Representative/	72.00	27.00	0.00	99.00
Claims Representative	7.50	0.00	0.00	7.50
Claims Representative Travel	29.25	0.00	0.00	29.25
Records Management				0.00
Expenses				0.00
<b>Total Billing</b>	<b>108.75</b>	<b>27.00</b>	<b>0.00</b>	<b>135.75</b>
<b>Total Other SDR Subcontractors</b>	<b>764.71</b>	<b>764.18</b>	<b>706.61</b>	<b>2,235.50</b>
<b>Receivership Service Providers</b>				
SafeSite	50.00	50.00	50.00	150.00
Operating Account	0.00	7.50	7.50	15.00
Texas Treasury	11.32	11.36	11.36	34.04
<b>Total Other</b>	<b>61.32</b>	<b>68.86</b>	<b>68.86</b>	<b>199.04</b>
<b>Liquidation Oversight Allocation</b>				
RLO Allocation	312.36	406.81	539.75	1,258.92
Special Master's Fees	0.00	1,168.18	1,648.38	2,816.56
<b>Total RLO &amp; SM Expense</b>	<b>312.36</b>	<b>1,574.99</b>	<b>2,188.13</b>	<b>4,075.48</b>
<b>Total Expenses</b>	<b>4,276.14</b>	<b>7,325.48</b>	<b>5,282.80</b>	<b>16,884.42</b>

**Ameritrust Title  
Statement of Net Assets**

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

Line		02/28/11
<b>Cash</b>		
1	Cash	
	Cash - Unrestricted	12,633
	APF Funds	80,050
<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>	92,683
19	<b>Total Restricted Assets</b>	0
19A	Net Assets not Categorized	
20	<b>Total Assets</b>	92,683

**Ameritrust Title  
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			0
	Cash - Unrestricted	28,644	12,633	(16,011)
	APF Funds	80,057	80,050	(7)
<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	0	0	0
18	<b>Total Unrestricted Assets</b>	108,701	92,683	(16,018)
19	<b>Total Restricted Assets</b>	0	0	0
19A	Net Assets not Categorized	0	0	0
20	<b>Total Assets</b>	108,701	92,683	(16,018)

**Ameritrust Title  
Statement of Net Liabilities**

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

Line		Class	02/28/11
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	3,026
	Liquidation Oversight & Special Master's Fees	1	2,188
	Other Unsecured Loans	1	
4	Administrative Claims - Guaranty Assns	1	
	Claims Paid		
	Reserves		203,479
5	LAE - Guaranty Assns	1	
	Claims Paid		
	Reserves		
<b>Loss Claims</b>			
6	Loss Claims - Guaranty Assns	2	
	Loss Claims Paid		158
	Reserves		70,264
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>		<b>1,895,801</b>
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		<b>(1,803,118)</b>
	<b>Total Liabilities &amp; Equity</b>		<b>92,683</b>

**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 February 28, 2011.

6 Represents amounts from the January 31, 2011 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 February 28, 2011.

**Ameritrust Title  
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			0
	APF Loan	250,000	250,000	0
2	Special Deposit Claims	0	0	0
<b>Administrative</b>				
3	Administrative Claims - State/Receiver	0	0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	3,422	3,026	(396)
	Liquidation Oversight & Special Master's Fees	1,185	2,188	1,003
	Other Unsecured Loans	0	0	0
4	Administrative Claims - Guaranty Assns	0	0	0
	Claims Paid	0	0	0
	Reserves	179,923	203,479	23,556
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	75,000	158	(74,842)
	Reserves	70,164	70,264	100
7	Loss Claims - Other	0	0	0
	Loss Claims Paid	0	0	0
	Reserves	1,366,686	1,366,686	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)	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	<b>Total Liabilities</b>	<b>1,946,380</b>	<b>1,895,801</b>	<b>(50,579)</b>
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(1,837,679)	(1,803,118)	34,561
	<b>Total Liabilities &amp; Equity</b>	<b>108,701</b>	<b>92,683</b>	<b>(16,018)</b>

**Ameritrust Title  
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 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	233
11	<b>Total Operational Receipts</b>	<b>233</b>
12	Interest & Dividend Receipts	27
13	Net Cash Provided by Investment Activities	0
14	<b>Total Cash Receipts from Investment Activities</b>	<b>27</b>
15	<b>Total Cash Receipts</b>	<b>260</b>
<b>Operational Expenses</b>		
16	Deputy Receiver & Consulting Fees & Expenses	8,288
17	Employee Salaries, P/R Taxes & Employee Benefits	0
18	Rent, Office & Other Facility Expenses	150
19	Legal Fees & Expenses	2,525
20	Accounting & Auditing Fees & Expenses	2,193
21	SGA - Administration Expenses other than LAE	3,073
22	Ancillary Administration Expenses	49
23	Other Disbursements	0
24	<b>Total Operational Disbursements</b>	<b>16,278</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>
33	<b>Total Cash Disbursements &amp; Distributions</b>	<b>16,278</b>
34	<b>Net Increase(Decrease) in Cash</b>	<b>(16,018)</b>
35	<b>Cash at Beginning of Period</b>	<b>108,701</b>
36	<b>Cash at End of Period</b>	<b>92,683</b>

10 Represents amounts reimbursed by TTIGA