

NO. D-1-GV-08-002014

STATE OF TEXAS,  
Plaintiff

v.

AMERITRUST TITLE COMPANY,  
Defendant

§  
§  
§  
§  
§  
§  
§

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

261st JUDICIAL DISTRICT

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND  
SUMMARY STATEMENT OF EXPENSES  
(MARCH 1, 2011 THROUGH MAY 31, 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 March 1, 2011 to May 31, 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

By: /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 June 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@mvlaw.com  
bmccandless@mvlaw.com

Carlos A. Leon  
The Leon Law Firm, P.C.  
Comerica Bank Building  
One Sugar Creek Center Blvd., Suite 980  
Ameritrust Quarterly Report

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  
pmcconnell@dhmtlaw.com

Internal Revenue Service  
Special Procedures Branch  
P.O. Box 250  
300 East 8th 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  
Ameritrust Quarterly Report

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

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

Enterprise Bank  
William Woodby  
CEO, Enterprise Bank  
4600 Gulf Freeway  
Houston, Texas 77023.

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  
05/31/11**

	<b>Total Mar</b>	<b>Total April</b>	<b>Total May</b>	<b>Total Quarter</b>
<b>SDR</b>				
Cantilo & Bennett, LLP				
Partner/Attorney/	3,480.00	3,945.00	1,230.00	8,655.00
Receivership Specialist/	0.00	27.00	81.00	108.00
Expenses	601.32	1.32	1.32	603.96
<b>Total SDR Billing</b>	<b>4,081.32</b>	<b>3,973.32</b>	<b>1,312.32</b>	<b>9,366.96</b>
<b>SDR Subcontractors - Legal</b>				
Jo Ann Howard & Associates, P.C.				
Senior Legal Specialist/	1,860.00	4,280.00	500.00	6,640.00
Paralegal/	72.00	108.00	0.00	180.00
Expenses	6.31	131.31	6.31	143.93
<b>Total Billing</b>	<b>1,938.31</b>	<b>4,519.31</b>	<b>506.31</b>	<b>6,963.93</b>
<b>Total Legal Subcontractors</b>	<b>1,938.31</b>	<b>4,519.31</b>	<b>506.31</b>	<b>6,963.93</b>
<b>SDR Subcontractors - Other</b>				
Petrosewicz & Company, Inc				
Accountant-Principal/	225.00	150.00	180.00	555.00
Accountant	522.00	594.00	414.00	1,530.00
Expenses	13.53	11.69	9.68	34.90
<b>Total Billing</b>	<b>760.53</b>	<b>755.69</b>	<b>603.68</b>	<b>2,119.90</b>
EMKAY Associates				
Claims Manager/	34.00	0.00	0.00	34.00
Claims Representative	45.00	0.00	0.00	45.00
Claims Representative	91.00	0.00	0.00	91.00
Claims Representative/	0.00	45.00	0.00	45.00
Claims Representative	0.00	7.50	0.00	7.50
Claims Representative Travel	0.00	29.25	0.00	29.25
Expenses				0.00
<b>Total Billing</b>	<b>170.00</b>	<b>81.75</b>	<b>0.00</b>	<b>251.75</b>
<b>Total Other SDR Subcontractors</b>	<b>930.53</b>	<b>837.44</b>	<b>603.68</b>	<b>2,371.65</b>
<b>Receivership Service Providers</b>				
SafeSite	50.00	50.00	50.00	150.00
Operating Account	7.50	15.00	0.00	22.50
Texas Treasury	11.23	11.36	0.00	22.59
<b>Total Other</b>	<b>68.73</b>	<b>76.36</b>	<b>50.00</b>	<b>195.09</b>
<b>Liquidation Oversight Allocation</b>				
RLO Allocation	250.00	570.88	648.83	1,469.71
Special Master's Fees	0.00	944.00	0.66	944.66
<b>Total RLO &amp; SM Expense</b>	<b>250.00</b>	<b>1,514.88</b>	<b>649.49</b>	<b>2,414.37</b>
<b>Total Expenses</b>	<b>7,268.89</b>	<b>10,921.31</b>	<b>3,121.80</b>	<b>21,312.00</b>

R-546

**Ameritrust Title  
Statement of Net Assets**

**For the Period Ending  
05/31/11**

**ASSETS**

**Current Assets**

**Checking/Savings**

**Unencumbered Cash**

**Frost Operating 0361**

56,976

**Texas Treasury Safekeeping APF 2942**

80,040

**Total Unencumbered Cash**

137,016

**TOTAL ASSETS**

137,016

**Ameritrust Title  
Changes in Net Assets**

**For Period Ending  
05/31/11**

		Qtr Ending 02/28/11	Qtr Ending 05/31/11	Change
<b>Cash</b>				
	Cash - Unrestricted	12,633	56,976	44,343
	APF Funds	80,050	80,040	(10)
<b>Other Assets</b>				
	Investments, Reinsurance, Receivables, Other Assets			0
<b>Restricted Assets</b>				
	Restricted Funds			0
	<b>Total Assets</b>	<b>92,683</b>	<b>137,016</b>	<b>44,333</b>

**Ameritrust Title  
Statement of Net Liabilities**

**For Period Ending  
05/31/11**

**LIABILITIES & EQUITY****Liabilities****Current Liabilities****Accounts Payable**

<b>Accounts Payable</b>	4,587	
-------------------------	-------	--

<b>Total Accounts Payable</b>	<u>4,587</u>	
-------------------------------	--------------	--

**Other Current Liabilities****Administrative Claims-TTIGA**

<b>Reserves</b>	203,480	(4)
-----------------	---------	-----

<b>Total Administrative Claims-TTIGA</b>	<u>203,480</u>	
--	----------------	--

<b>Loan-Abandoned Property Fund</b>	250,000	(3)
-------------------------------------	---------	-----

<b>Total Other Current Liabilities</b>	<u>453,480</u>	
--	----------------	--

<b>Total Current Liabilities</b>	<u>458,066</u>	
----------------------------------	----------------	--

**Long Term Liabilities****Loss Claims-Guar Ass-Class 2**

<b>Reserves</b>	70,264	(6)
-----------------	--------	-----

<b>Loss Claims Paid</b>	158	(6)
-------------------------	-----	-----

<b>Total Loss Claims-Guar Assoc-Class 2</b>	<u>70,422</u>	
---	---------------	--

<b>Loss Claims-Other Class 2</b>	1,366,686	(7)
----------------------------------	-----------	-----

<b>Total Long Term Liabilities</b>	<u>1,437,108</u>	
------------------------------------	------------------	--

<b>Total Liabilities</b>	1,895,174	
--------------------------	-----------	--

**Equity**

<b>Unassigned Funds</b>	(1,799,903)	
-------------------------	-------------	--

<b>Net Income</b>	41,744	
-------------------	--------	--

<b>Total Equity</b>	<u>(1,758,158)</u>	
---------------------	--------------------	--

<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>137,016</u></u>	
---------------------------------------	-----------------------	--

**NOTES**

All amounts recorded based on adjudicated claims unless otherwise specified  
Ref. No.

(3) Represents amounts received from the Texas Abandoned Property Fund.

Reflects amount on TTIGA administrative expense Proof of Claim as of February 28, 2011. No  
(4) reports have been received since February

Represents amounts from the February 28, 2011 TTIGA report. No reports have been received  
(6) for March, April or May 2011.

Represents amounts reserved based on information obtained from Texas Department of  
(7) Insurance records as of the receivership date adjusted by the amounts reported by TTIGA  
through February 28, 2011. No reports have been received since February.

**Ameritrust Title  
Changes in Net Liabilities**

**For Period Ending  
05/31/11**

	Qtr Ending 02/28/11	Qtr Ending 05/31/11	Change
Secured Claims			0
APF Loan	250,000	250,000	0
<b>Administrative</b>			
Administrative Claims - State/Receiver	5,214	4,587	(627)
Administrative Claims - Guaranty Assns	203,479	203,479	0
<b>Loss Claims</b>			
Loss Claims & Reserves - Guaranty Assns	70,422	70,422	0
Loss Claims & Reserves - Other	1,366,686	1,366,686	0
<b>Other Creditors</b>			
Other Creditors			0
<b>Total Liabilities</b>	1,895,801	1,895,174	(627)
Total Equity/Deficit	(1,803,118)	(1,758,158)	44,960
<b>Total Liabilities &amp; Equity</b>	92,683	137,016	44,333

R-546

**Company Name  
Sources & Uses of Cash**

**For Period Ending  
05/31/11**

	<b>Qtr Ending May-11</b>	
Total Cash Receipts from Recoveries	66,260	(1)
Total Interest	12	
<b>Total Cash Receipts</b>	<b>66,272</b>	
Total Checks	21,894	
Total Other Disbursements	45	
<b>Total Cash Distributions</b>	<b>21,939</b>	
<b>Net Increase(Decrease) in Cash</b>	<b>44,333</b>	
<b><i>Cash at Beginning of Period</i></b>	<b>92,683</b>	
<b><i>Cash at End of Period</i></b>	<b>137,016</b>	

(1) Includes \$64,642 recovery from Enterprise Bank Turnover Application litigation and \$1,618 from reimbursement of costs from TTIGA.