

Special Master's Status Letter Update

January 23, 2012

AmeriTrust Title Company R-546

Background

- Date of Permanent Injunction: 03/20/09
- Name/Date of Appointment of SDR: CANTILO & BENNETT, L.L.P. 04/16/09
- Claims Filing Deadline: 11:59 p.m., July 15, 2010
- State Where Licensed: Texas
- Lines of Business: Title Insurance Agency
- Texas Guaranty Association Name & Trigger Date: Texas Title Insurance Guaranty Association ("TTIGA") triggered 03/26/09 (effective as of 03/20/09) upon designation as impaired agent by the Commissioner of Insurance
- Date and Amount of Last Early Access: None; SDR Report on No Early Access filed September 28, 2010.

Statements of Assets and Liabilities (at 12/31/11)

- \$ 113,963 - Total Assets
- \$ 113,963 - Cash Assets
- \$ 0 - Non Cash Assets
- \$ 1,827,725 - Total Liabilities
- (\$ 1,713,762) - Negative Equity

Status and Activity Since Last Status Conference

- Asset Recoveries

The Enterprise Bank Turnover matter is now concluded and no additional activity is expected.

- Claims

The Proof of Claim ("POC") filing deadline was July 15, 2010. Six POCs were received by the SDR and all have been processed. Five claims, which were determined to fall below Class 1, were processed as to priority only and notices were issued advising claimants that no additional action would be taken on the merits of the claims unless assets become available for distribution. The determinations became final in November 2010. In response to the SDR's request, TTIGA has updated its claim in the estate.

The TTIGA POC deadline was March 15, 2010. As of December 31, 2011, TTIGA received eight claims for a total of \$2,223,209.12. TTIGA rejected seven claims for a total of \$2,148,209.12, and paid one claim in the amount of \$75,000.

- General Legal Activities

Pending Litigation

Several litigation matters were pending against AmeriTrust at the time of the SDR's appointment. In each case, the SDR's counsel has filed a Notice of Automatic Stay and Permanent Injunction Barring Claims. With the exception of inquiries from counsel to the Cordero plaintiffs (regarding the prospective closing date and when the permanent injunction and automatic stay will be lifted), there was no additional activity in those cases in this quarter.

- Administration

Tax Matters

The SDR is working on a determination of what tax filings must be made. The limited financial information available to the SDR has delayed completion of the project. Escrow account information, which was very helpful, was obtained from TTIGA. During this quarter, the SDR and the tax accountant have been working to obtain additional operating account information from several financial institutions. The estate's tax subcontractor believes he will be able to complete the necessary returns once this information is available.

Federal Releases

The SDR will work with estate counsel to prepare a request for federal releases to be submitted prior to, or just after, the closing papers are to be filed. The SDR anticipates that these items will be ready for RLO review in the next few weeks, and then submitted to the government for review and processing.

Closing Matters

In summary, this estate is ready to close subject to the filing of federal income tax returns. The almost complete lack of financial records for the pre-receivership business has hampered the filing of the returns. As noted above, the SDR is working with the estate tax subcontractor to resolve these matters.

The SDR and counsel are working on draft final distribution and dismissal/discharge pleadings, and anticipate submission of same to RLO and then to the Receivership Court in the next quarter. The SDR has conferred with TTIGA regarding the closing process and anticipates working closely with the association.

Conclusion

- Estate Team Goals to Achieve Prior to Next Status Conference
 - Monitor Stayed Litigation
 - Prepare and File Tax Returns
 - File Request for Federal Waivers
 - File Application for Final Distribution and Closing Report
- Estimated Closing Date of Receivership: March 15, 2012 (tentative date for filing Final Report)
- Identification of Factors Affecting Closing Date and Final Distribution
 - Federal Waivers
 - Tax Returns
 - Coordination/Cooperation with TTIGA