

NO. D-1-GV-08-000050

STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
Plaintiff	§	
VS.	§	TRAVIS COUNTY, TEXAS
	§	
WEBB COUNTY TITLE	§	
& ABSTRACT COMPANY, INC.,	§	201st JUDICIAL DISTRICT
Defendant		

APPLICATION FOR EXTENSION OF TIME TO SUBMIT QUARTERLY REPORTS

TO THE HONORABLE JUDGE OF SAID COURT:

Comes now Cantilo & Bennett, L.L.P., Special Deputy Receiver of Webb County Title & Abstract Company, Inc. (the “SDR” and “Webb County” respectively), and files this *Application for Extension of Time to Submit Quarterly Reports* (the “Application”), and in support thereof would respectfully show the Court as follows:

I. BACKGROUND

1.1 Webb County was placed in receivership in this proceeding on January 11, 2008. The Court entered an Agreed Order Appointing Liquidator and Permanent Injunction on January 11, 2008 appointing the Texas Commissioner of Insurance as Permanent Receiver. The Receiver designated Cantilo & Bennett, L.L.P., as SDR of Webb County effective as of May 2, 2008.

1.2 The subject matter of this Application has been referred to the Special Master appointed in this proceeding in accordance with Paragraph III of the Order of Reference to Master entered on April 10, 2008.

II. STATUTORY AUTHORITY

2.1 The SDR is authorized to file this Application pursuant to TEX. INS. CODE § 443.154 and TEX. INS. CODE § 2651.104. Under § 443.154(a), the SDR has all the powers of the Receiver,

unless specifically limited by the Receiver.

III. BASIS FOR APPLICATION

3.1 The SDR has retained a new estate accounting subcontractor. After a HUB Subcontracting Plan was implemented, the SDR selected a new accounting subcontractor, and submitted that new subcontractor for approval on December 3, 2008. The new subcontractor was approved by Rehabilitation Liquidation Oversight (“RLO”) on December 4, 2008.

3.2 The SDR is now working with both the former and new accounting subcontractors on the transition of the accounting and financial records and reporting obligations. However, in order to provide the new accounting subcontractor with time to obtain, review and update the estate’s books and records, the SDR seeks an extension of time to submit the quarterly reports required by § 443.016 (due December 15, 2008) until January 15, 2009.

3.3 The estate’s RLO Analyst has indicated that RLO is in agreement with the SDR’s request, but advised that RLO does not have authority to extend the deadline for filing the quarterly reports with the Receivership Court. Accordingly, the SDR seeks the Court’s approval of this Application.

IV. RELIEF SOUGHT

4.1 The SDR moves the Court for an extension of time in which to file the quarterly reports required under § 443.016, until January 15, 2009, and further respectfully requests that the Court make its ruling retroactive, and effective as of December 15, 2008.

V. NOTICE

5.1 Pursuant to §443.007(d), this Application has been served on the entire service list for this proceeding, including without limitation, TTIGA, in the manner shown on the Certificate of

Service. Service of the Application and the Notice of Submission complies with §443.007(d).

VI. OFFER OF PROOF

6.1 Cantilo & Bennett, L.L.P., as Special Deputy Receiver, through its authorized representative, Susan E. Salch, submits its certificate pursuant to §443.017(b) verifying the statements in this Application.

VII. NOTICE OF ELECTRONIC SERVICE REQUIREMENT

7.1 Pursuant to the *Order Granting SDR's Application to Use Electronic Service of Pleadings and Notices*, all pleadings filed in response to this Application or in regards to this estate shall be served by email on the undersigned counsel and all parties shown in the attached Certificate of Service.

VIII. CONCLUSION

8.1 In conclusion, the SDR urges the Court to grant this Application to allow the estate's new accounting subcontractor time sufficient to obtain, become familiar with, and update the books and records of the estate before submitting quarterly reports to the Receivership Court.

PRAYER

WHEREFORE PREMISES CONSIDERED, the SDR respectfully requests this Court to grant this Application, and grant such further relief to which it may show itself to be justly entitled.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on December 10, 2008, a true and correct copy of this Application was served pursuant to the Order of Reference, the Texas Rules of Civil Procedure, and TEX. INS. CODE ANN. §§ 443.007 (d) on the following.

/Jo Ann Howard/
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§443.017(b)
AFFIDAVIT OF SUSAN SALCH


State of Texas
County of Travis

BEFORE ME, the undersigned authority appeared Susan Salch, who after being by me duly sworn, stated the following under oath:

1. "My name is Susan E. Salch. I am competent to make this affidavit. The statements of fact set forth herein are true and correct, and are within my personal knowledge.
2. "I am a partner in Cantilo & Bennett, L.L.P., Special Deputy Receiver of Webb County Title & Abstract Company, Inc. (the "SDR" and "Webb County"). I am duly authorized to make this Certification and Affidavit on behalf of the SDR.
3. "I further state that I have read the statements contained in the attached Application and that they are true and correct based on my personal knowledge, my review of estate records and my consultation with my staff and sub-contractors."
4. Further affiant sayeth not.

By: 
Susan E. Salch

SUBSCRIBED AND SWORN TO BEFORE ME on December 9, 2008, by Susan E. Salch, on behalf of Cantilo & Bennett, L.L.P., Special Deputy Receiver of Webb County Title & Abstract Company, Inc. in receivership.


Notary Public



APPLICANT'S NOTICE OF SUBMISSION

Pursuant to the terms of the Order of Reference to Master entered by the District Court in this cause, the Special Deputy Receiver's *Application for Extension of Time to Submit Quarterly Reports* (the "Application") is set for written submission before the Special Master, Tom Collins, on January 5, 2009.

The Special Master has asked that the following rules be provided you:

1. Any objection must be filed with the Travis County District Clerk at least three (3) calendar days before the submission date.
2. A copy of any objection shall be served by email by such date on:
 - (a) The Special Master's Docket Clerk, Ms. Jean Sustaita at Jean.Sustaita@tdi.state.tx.us;
 - (b) The undersigned counsel, Christopher Fuller at cfuller@fullerlaw.org; and
 - (c) All interested parties, including those listed on the Applicant's Certificate of Service.
3. The objecting party shall coordinate with opposing counsel and the Docket Clerk [(512)463-6450] to obtain an oral hearing setting for argument on the Application and Objection, and complete and attach an "Objecting Party's Notice of Oral Hearing" to the objection.
4. The written objection must specifically list all reasons for objection with supporting references to and discussion of statutory and case authorities. Reasons not stated in writing will not be considered orally.
5. ***Failure to file timely a written objection before the Special Master constitutes a waiver of the right to object to the Special Master's recommendation to the District Court.***
6. Any Acknowledgment of Notice and Waiver to be filed by the Guaranty Association or other interested party should be filed at least three (3) calendar days before the submission or hearing date.