

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 §

**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 Webb County Title & Abstract Company, Inc. (the “SDR” and “Webb County” 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 for Approval of Fees and Expenses, entered on July 22, 2008 and the Court’s Order Approving the SDR’s Second Amended Application for Approval of Fees and Expenses, entered on July 29, 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

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And

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### **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 the Court's order on electronic service on the following:

/s/ Christopher Fuller  
Christopher Fuller

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**WEBB COUNTY TITLE & ABSTRACT CO.,INC**  
**Statement of Expenses**

For Period Ending  
05/31/11

	Total Mar	Total April	Total May	Total Quarter
<b>SDR</b>				
Cantilo & Bennett, L.L.P.				
Partner-	4,890.00	2,205.00	2,040.00	9,135.00
Partner - Travel	0.00	0.00	0.00	0.00
Associate-	0.00	62.50	0.00	62.50
Receivership Specialist-	144.00	0.00	0.00	144.00
Receivership Specialist-	0.00	0.00	0.00	0.00
Receivership Specialist- Travel	0.00	0.00	0.00	0.00
Clerical	0.00	62.50	0.00	62.50
Expenses	605.83	1.76	1.76	609.35
<b>Total SDR Billing</b>	<b>5,639.83</b>	<b>2,331.76</b>	<b>2,041.76</b>	<b>10,013.35</b>
<b>SDR Subcontractors - Legal</b>				
Legal JoAnn Howard & Associates, Inc.				
Attorney-	892.50	1,032.50	717.50	2,642.50
Legal Assistant	90.00	0.00	0.00	90.00
Expenses	6.31	0.00	0.00	6.31
<b>Total Billing</b>	<b>988.81</b>	<b>1,032.50</b>	<b>717.50</b>	<b>2,738.81</b>
<b>Total Legal Subcontractors</b>	<b>988.81</b>	<b>1,032.50</b>	<b>717.50</b>	<b>2,738.81</b>
<b>SDR Subcontractors - Other</b>				
EmKay Associates, Inc.				
Claims Manager-	0.00	8.50	153.00	161.50
Claims Representative-	0.00	0.00	297.00	297.00
Claims Representative-	36.00	112.50	220.50	369.00
Claims Representative - Travel	0.00	87.75	0.00	87.75
Claims Representative	0.00	0.00	540.00	540.00
Expenses				
<b>Total Billing</b>	<b>36.00</b>	<b>208.75</b>	<b>1,210.50</b>	<b>1,455.25</b>
Petrosewicz & Company, Inc				
Accountant-Principal -	450.00	255.00	915.00	1,620.00
Accountant-Principal Travel	0.00	0.00	0.00	0.00
Senior Accountant	0.00	0.00	87.50	87.50
Accountant-	558.00	657.00	441.00	1,656.00
Clerical	5.00	90.00	0.00	95.00
Expenses	19.04	14.29	14.28	47.61
<b>Total Billing</b>	<b>1,032.04</b>	<b>1,016.29</b>	<b>1,457.78</b>	<b>3,506.11</b>
<b>Total Other SDR Subcontractors</b>	<b>1,068.04</b>	<b>1,225.04</b>	<b>2,668.28</b>	<b>4,961.36</b>
<b>Receivership Service Providers</b>				
SafeSite	90.50	90.50	104.50	285.50
The Warren Group	0.00	0.00	5,150.00	5,150.00
Operating Account	9.00	18.00	27.00	54.00
Texas Treasury	14.81	14.99	14.76	44.56
<b>Total Other</b>	<b>114.31</b>	<b>123.49</b>	<b>5,296.26</b>	<b>5,534.06</b>
<b>Liquidation Oversight Allocation</b>				
RLO Allocation	406.99	635.30	325.10	1,367.39
Special Master's Fees	0.00	44.00	0.67	44.67
<b>Total RLO &amp; SM Expense</b>	<b>406.99</b>	<b>679.30</b>	<b>325.77</b>	<b>1,412.06</b>
<b>Total Expenses</b>	<b>8,217.98</b>	<b>5,392.09</b>	<b>11,049.57</b>	<b>24,659.64</b>

**WEBB COUNTY TITLE & ABSTRACT CO.,INC**  
**Statement of Net Assets**

For the Period Ending  
05/31/11

**ASSETS****Current Assets****Checking/Savings****1000 - CASH ASSETS - RECEIVERSHIP**

1010 - SDR OPERATING ACCT - FROST 3745 24,964

1015 - TREASURY SAFEKEEP'G ACCT - APF 2885 10,486

1040 - TREASURY ACCT 3003 263,523

**Total 1000 - CASH ASSETS - RECEIVERSHIP 298,973**

**Total Checking/Savings 298,973**

**Other Current Assets****1200 - ACCOUNTS RECEIVABLE**

1210 - A/R - DUE FROM SHAREHOLDER 168,630

1211 - A/R FROM S/H COLLECT ALLOWANCE (168,630)

**Total 1200 - ACCOUNTS RECEIVABLE**

1260 - FEES RECEIVABLE - POLICY FILES 10,793

1261 - Allow Collectibility-Fees Rec (10,793)

**1400 - OTHER RECEIVABLES**

1410 - PREPAID INTEREST (DUE TO IRS) 14,348

1411 - A/R PREPAID COLLECT ALLOWANCE (14,348)

**Total 1400 - OTHER RECEIVABLES**

**TOTAL ASSETS 298,973**

**NOTES**

Ref No.

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**WEBB COUNTY TITLE & ABSTRACT CO.,INC**  
**Changes in Net Assets**

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

		<b>Qtr Ending</b>	<b>Qtr Ending</b>	<b>Change</b>
		<b>02/28/11</b>	<b>05/31/11</b>	
<b>Cash</b>				
	Cash - Unrestricted	4,137	24,964	20,827
	APF Funds	324,006	274,009	(49,997)
<b>Other Assets</b>				
	Investments, Reinsurance, Receivables, Other Assets			0
<b>Restricted Assets</b>				
	Restricted Funds			0
	<b>Total Assets</b>	<b>328,143</b>	<b>298,973</b>	<b>(29,170)</b>

**WEBB COUNTY TITLE & ABSTRACT CO.,INC**  
**Statement of Net Liabilities**

For Period Ending  
05/31/11

LIABILITIES & EQUITY		<b>NOTE</b>
Liabilities		<u>Ref.</u>
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
1900 · CLASS I ADMIN CLAIMS PAYABLES		
1905 · SDR FEES AND EXPENSES	2,042	
1910 · SDR LEGAL SUBCONTRACTORS	718	
1915 · SDR TAX CONSULT'G SUBCONTRACTOR	5,150	
1925 · SDR CLAIMS SUBCONTRACTOR	1,211	
1930 · SDR ACCOUNTING SUBCONTRACTOR	1,458	
<b>Total 1900 · CLASS I ADMIN CLAIMS PAYABLES</b>	<b>10,578</b>	
2000 · CLASS I PAYABLES - OTHER		
2010 · TDI RECEIVER'S FEES	13,188	
2030 · Administrative Claims - TTIGA	401,388	(4)
<b>Total 2000 · CLASS I PAYABLES - OTHER</b>	<b>414,577</b>	
<b>Total Accounts Payable</b>	425,154	
<b>Other Current Liabilities</b>		
2100 · CLASS I ADMIN CLAIMS UNSECURED		
2110 · ADMIN CLAIMS - ABAN PROP FUND	621,590	(1)
<b>Total 2100 · CLASS I ADMIN CLAIMS UNSECURED</b>	<b>621,590</b>	
2300 · Loss Claims-Guar Assoc CI II		
2302 · Loss Reserves	25,405	
2301 · Loss Claims Paid	377,795	
<b>Total 2300 · Loss Claims-Guar Assoc CI II</b>	<b>403,200</b>	(6)
2500 · CLASS III PAYABLES		
2510 · FEDERAL GOVT CLAIMS		
2511 · PAYROLL LIABILITIES IN ARREARS		
2512 · PAYROLL LIAB - TAXES	156,638	
2513 · PAYROLL LIAB - PENALTIES	82,390	
2514 · PAYROLL LIAB - INTEREST	35,374	
<b>Total 2511 · PAYROLL LIABILITIES IN ARREARS</b>	<b>274,402</b>	
<b>Total 2510 · FEDERAL GOVT CLAIMS</b>	<b>274,402</b>	
2520 · PAYROLLTAXES PAYABLE		
2521 · FICA/MEDICARE PAYABLE	1,735	
<b>Total 2520 · PAYROLLTAXES PAYABLE</b>	<b>1,735</b>	
<b>Total 2500 · CLASS III PAYABLES</b>	<b>276,137</b>	(11)
2600 · CLASS V PAYABLES		
2610 · GENERAL CREDITORS	297,743	(13)
2630 · CITY & STATE TAXES PAYABLE		
2631 · COUNTY TAXES PAYABLE	33,022	
2632 · CITY TAXES PAYABLE	28,474	
2633 · CITY TAXES PAYABLE (OTHER ISD)	66,660	
<b>Total 2630 · CITY &amp; STATE TAXES PAYABLE</b>	<b>128,156</b>	(15)
<b>Total 2600 · CLASS V PAYABLES</b>	<b>425,899</b>	
	<b>425,899</b>	

**WEBB COUNTY TITLE & ABSTRACT CO.,INC**  
**Statement of Net Liabilities**

For Period Ending  
05/31/11

<b>Total Other Current Liabilities</b>	1,726,826
<b>Total Current Liabilities</b>	2,151,980
<b>Total Liabilities</b>	2,151,980
<b>Equity</b>	
<b>3800 - Unassigned Funds</b>	(2,076,407)
<b>Net Income</b>	223,400
<b>Total Equity</b>	(1,853,007)
<b>TOTAL LIABILITIES &amp; EQUITY</b>	298,973

**NOTES**

All amounts based on adjudicated claims unless otherwise specified

Ref.  
No.

- (1) Unsecured Loan amount from the Commissioner's Abandoned Property Fund
- (4) Reflects TTIGA administrative fees since inception of receivership through December 31, 2010.
- (6) Reflects amounts provided by TTIGA for claims adjudicated through May 31, 2011.
- (11) Pre Receivership Payroll Taxes Payable
- (13) General Creditors' Claims (Unsecured) per SDR's Preliminary Analyses of Outstanding Payables performed during takeover.
- (15) Pre-receivershp city taxes payable of \$28,474, county taxes payable of \$33,022, and Laredo ISD taxes payable of \$66,660.

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**WEBB COUNTY TITLE & ABSTRACT CO.,INC**  
**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	621,590	621,590	0
<b>Administrative</b>			
Administrative Claims - State/Receiver	28,901	14,766	(14,135)
Administrative Claims - Guaranty Assns	401,388	401,388	0
<b>Loss Claims</b>			
Loss Claims & Reserves - Guaranty Assns	402,895	403,200	305
Loss Claims & Reserves - Other			0
<b>Other Creditors</b>			
Other Creditors	702,036	702,036	0
<b>Total Liabilities</b>	2,156,810	2,142,980	(13,830)
Total Equity/Deficit	(1,828,667)	(1,853,007)	(24,340)
<b>Total Liabilities &amp; Equity</b>	328,143	289,973	(38,170)

R-536      **WEBB COUNTY TITLE & ABSTRACT CO.,INC**  
**Sources & Uses of Cash**

**For Period Ending**  
**5/31/11**

**Qtr Ending**  
**May-11**

Total Cash Receipts from Recoveries	578
Total Interest	47
<b>Total Cash Receipts</b>	<b>625</b>
Total Checks	29,696
Total Other Disbursements	99
<b>Total Cash Distributions</b>	<b>29,795</b>
<b>Net Increase(Decrease) in Cash</b>	<b>(29,170)</b>
<i>Cash at Beginning of Period</i>	328,143
<i>Cash at End of Period</i>	298,973