

NO. D-1-GV-08-000050

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

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND
SUMMARY STATEMENT OF EXPENSES
(JUNE 1, 2009 THROUGH AUGUST 31, 2009)**

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 June 1, 2009 to August 31, 2009. 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.

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,

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CERTIFICATE OF SERVICE

I certify that on September 15, 2009, 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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R-536	WEBB COUNTY TITLE & ABSTRACT CO., INC.				
Summary Statement of Expenses					
For the Quarter Ending					
8/31/2009					
	June	July	Aug	Total 4th Quarter	
SDR					
Cantilo & Bennett, L.L.P.					
Partner	7,860.00	7,170.00	7,590.00	22,620.00	
Partner		37.50		37.50	
Partner - Travel				0.00	
Associate	25.00	25.00	37.50	87.50	
Associate - Travel				0.00	
Associate				0.00	
Associate - Travel				0.00	
Receivership Specialist	54.00	18.00		72.00	
Receivership Specialist			99.00	99.00	
Receivership Specialist				0.00	
Credit				0.00	
Clerical				0.00	
Expenses	9.86	31.85	8.80	50.51	
SDR Subcontractors					
Hohmann, Taube & Summers, L.L.P.					
Partner	693.50	2,372.50	219.00	3,285.00	
Partner	115.50	1,309.00		1,424.50	
Associate	155.00	2,232.00		2,387.00	
Expenses	10.35	278.14	2.85	291.34	
JoAnn Howard & Associates, Inc.					
Attorney	1,960.00	980.00	4,025.00	6,965.00	
Attorney - Travel				0.00	
Attorney	225.00	240.00		465.00	
Assistant	90.00	315.00		405.00	
Expenses	7.24	495.14	120.00	622.38	
EmKay Associates, Inc.					
Claims Manager	119.00	799.00	535.50	1,453.50	
Claims Manager - Travel				0.00	
Claims Manager	675.00			675.00	
Claims Representative		344.50	19.50	364.00	
Claims Representative - Travel				0.00	
Claims Representative	104.00	891.00	670.50	1,665.50	
Claims Representative - Travel				0.00	
Claims Representative	324.00	320.00	815.00	1,459.00	
Clerical				0.00	
Expenses				0.00	
Abaci, Inc.					
Project Manager				0.00	
Project Manager - Travel				0.00	
Technical Manager	0.00		216.00	216.00	
Technical Manager - Travel				0.00	
Clerical					
Expenses				0.00	
The Warren Group					
CPA				0.00	
CPA - Travel				0.00	
CPA				0.00	
Expenses				0.00	
Petrosewicz & Company, Inc					
Accountant-Principal	675.00	675.00	435.00	1,785.00	
Accountant-Principal Travel				0.00	
Accountant	1,386.00	1,098.00	1,089.00	3,573.00	
Clerical	7.50		2.50	10.00	
Expenses	34.77	29.12	27.64	91.53	

R-536	WEBB COUNTY TITLE & ABSTRACT CO., INC.				
Summary Statement of Expenses					
For the Quarter Ending					
8/31/2009					
	June	July	Aug	Total 4th Quarter	
Receivership Service Providers					
Graciela Velazquez					
Contract Labor	1,920.00	2,400.00	1,920.00	6,240.00	
Expenses		8.80	26.93	35.73	
Arellano's Plumbing	286.00			286.00	
AT&T	384.62	386.81	414.26	1,185.69	
City of Laredo Utilities	108.63	107.13	120.11	335.87	
Edgar Cepeda	800.00	1,000.00	800.00	2,600.00	
Fred's Air Conditioning & Heating		450.00		450.00	
Orziel Ramos	150.00	150.00	150.00	450.00	
Reliant Energy	1,368.10	1,653.90	1,811.57	4,833.57	
Safesite, Inc.	1,032.06	1,005.50	1,005.50	3,043.06	
Southern Sanitation	97.07	97.07	97.07	291.21	
The Hartford	498.30	498.30	498.03	1,494.63	
Westel Telephone Services	72.90	74.68		147.58	
Frost National Bank (SDR Operating)	39.50	45.50	56.50	141.50	
Texas Treasury			12.30	12.30	
Liquidation Oversight Allocation					
Liquidation Oversight Allocation	2,656.43	1,345.02	1,311.10	5,312.55	
Special Master's Fees	7.26		111.63	118.89	
Total by Month	23,951.59	28,883.46	24,247.79		
Total Expenses for Quarter Ending August 2009				77,082.84	

R-536

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

For the Month Ending
08/31/09

Line		08/31/09
Cash		
1	Cash - Unrestricted	124,597
Investments		
2	Short-Term Investments	
3	Bonds, Preferred Stocks & Common Stocks	
4	Investments in Subsidiaries, Controlled or Affiliated Entities	
5	Mortgage Loans	
6	Real Estate	1,010,870
7	Policy Loans	
8	Other Invested Assets	
Reinsurance		
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	
Receivables		
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	
Other Assets		
15.1	FF&E	
15.2	Prepaid Expenses	
16	Other Assets	
Restricted Assets		
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	Total Unrestricted Assets	1,135,467
19	Total Restricted Assets	0
19A	Net Assets not Categorized	
20	Total Assets	1,135,467

NOTES

Ref No.

6 Represents building and land that has been adjusted in value to the outstanding loan balance. The loan holder has a secured lien on the building and land. See corresponding amount on the Statement of Liabilities as a Secured Claim.

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

For the Quarter Ending
08/31/09

Line		Qtr Ending 05/31/09	Qtr Ending 08/31/09	Change
Cash				
1	Cash - Unrestricted	185,221	124,597	(60,624)
Investments				
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	1,010,870	1,010,870	0
7	Policy Loans	0	0	0
8	Other Invested Assets	0	0	0
Reinsurance				
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
Receivables				
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
Other Assets				
15.1	FF&E	0	0	0
15.2	Prepaid Expenses	0	0	0
16	Other Assets	0	0	0
Restricted Assets				
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	Total Unrestricted Assets	1,196,091	1,135,467	(60,624)
19	Total Restricted Assets	0	0	0
19A	Net Assets not Categorized	0	0	0
20	Total Assets	1,196,091	1,135,467	(60,624)

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

For the Month Ending
08/31/09

Line		Class	08/31/09
1	Secured Claims	1	1,010,870
2	Special Deposit Claims	1	
Administrative			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	15,913
	Liquidation Oversight & Special Master's Fees	1	1,423
	Unsecured Loans	1	551,200
4	Administrative Claims - Guaranty Assns	1	
	Claims Paid		83,776
	Reserves		
5	LAE - Guaranty Assns	1	
	Claims Paid		
	Reserves		
Loss Claims			
6	Loss Claims - Guaranty Assns	2	
	Loss Claims Paid		458,819
	Reserves		4,411
7	Loss Claims - Other	2	
	Loss Claims Paid		
	Reserves		
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	
Other Creditors			
11	Federal Government Claims	3	276,137
12	Employee Claims	4	
13	General Unsecured Creditor Claims (Other than Reinsurance Related)	5	297,743
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	128,156
	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	Total Liabilities		2,828,448
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(1,692,981)
	Total Liabilities & Equity		1,135,467

WEBB COUNTY TITLE & ABSTRACT CO., INC.
Statement of Net Liabilities**For the Month Ending**
08/31/09

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

- 1 Represents outstanding loan balance secured by building and land in the amount of \$1,010,870. See corresponding amount for building on Statement of Assets.
- 3 Unsecured Loan in the amount of \$551,200 from Commissioner's Abandoned
- 4 Reflects TTIGA administrative fees since inception of receivership
- 6 Reflects amounts provided by TTIGA for claims adjudicated through August 31, 2009.
- 11 Payroll Taxes Payable
- 13 General Creditors' Claims (Unsecured) per SDR's Preliminary Analyses of Outstanding Payables performed during takeover.
- 15 City Taxes Payable of \$28,474, County taxes payable of \$33,022, and Laredo ISD taxes payable of \$66,660.

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

For the Quarter Ending
08/31/09

Line		Qtr Ending 05/31/09	Qtr Ending 08/31/09	Change
1	Secured Claims	1,010,870	1,010,870	0
2	Special Deposit Claims	0	0	0
Administrative				
3	Administrative Claims - State/Receiver	0	0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	15,324	15,913	589
	Liquidation Oversight & Special Master's Fees	0	1,423	1,423
	Unsecured Loans	551,200	551,200	0
4	Administrative Claims - Guaranty Assns	0	0	0
	Claims Paid	83,776	83,776	0
	Reserves	0	0	0
5	LAE - Guaranty Assns	0	0	0
	Claims Paid	0	0	0
	Reserves	0	0	0
Loss Claims				
6	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	425,819	458,819	33,000
	Reserves	36,000	4,411	(31,589)
7	Loss Claims - Other	0	0	0
	Loss Claims Paid	0	0	0
	Reserves	0	0	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
Other Creditors				
11	Federal Government Claims	276,137	276,137	0
12	Employee Claims	0	0	0
13	General Unsecured Creditor Claims (Other than Reinsurance Related)	297,743	297,743	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	128,156	128,156	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	Total Liabilities	2,825,025	2,828,448	3,423
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(1,628,934)	(1,692,981)	(64,047)
	Total Liabilities & Equity	1,196,091	1,135,467	(60,624)

EXPLANATION OF CHANGES

6 Reflects adjustments to reconcile to monthly reports and to August 31, 2009 TTIGA report.

WEBB COUNTY TITLE & ABSTRACT CO., INC.
Change in Cash & Investments

For the Quarter Ending
08/31/09

Line	Qtr Ending 8/31/09
Income	
1 Premium Receipts	0
2 Settlements	0
3 Policy Loan Receipts	0
4 Proceeds from Sale of Real Property 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	14,386
11 Total Operational Receipts	14,386
12 Interest & Dividend Receipts	61
13 Net Cash Provided by Investment Activities	0
14 Total Cash Receipts from Investment Activities	61
15 Total Cash Receipts	14,447
Operational Expenses	
16 Deputy Receiver & Consulting Fees & Expenses	27,524
17 Employee Salaries, P/R Taxes & Employee Benefits	9,290
18 Rent, Office & Other Facility Expenses	10,599
19 Legal Fees & Expenses	15,798
20 Accounting & Auditing Fees & Expenses	6,194
21 SGA - Administration Expenses other than LAE	1,657
22 Ancillary Administration Expenses	4,009
23 Other Disbursements	0
24 Total Operational Disbursements	75,071
Investment Expenses	
25 Investment Expenses	
26 Purchase of Invested Assets	
27 Total Disbursements for Investment Activities	0
Claims Paid	
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 Total Cash Distributions	0
33 Total Cash Disbursements & Distributions	75,071
34 Net Increase(Decrease) in Cash	(60,624)
35 Cash at Beginning of Period	185,221
36 Cash at End of Period	124,597

REF NO