

NO. D-1-GV-09-001218

STATE OF TEXAS	§	IN THE DISTRICT COURT OF
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
TEXAS NATIONS TITLE AGENCY, INC.	§	201ST JUDICIAL DISTRICT

**FINAL REPORT AND APPLICATION TO TERMINATE RECEIVERSHIP
PROCEEDING AND DISCHARGE RECEIVER AND SPECIAL DEPUTY RECEIVER**

COMES NOW, DKJ Group, Inc., Special Deputy Receiver of Texas Nations Title Agency, Inc. (“SDR” and “Texas Nations,” respectively), and files this *Final Report and Application to Terminate Receivership Proceeding and Discharge Receiver and Special Deputy Receiver* (“Application”), and in support respectfully shows the Court as follows:

I. INTRODUCTION

1.1 The SDR submits its final report, and requests this Court terminate this proceeding, and discharge the Texas Commissioner of Insurance (“Commissioner”) as Receiver of Texas Nations and DKJ Group, Inc. as Special Deputy Receiver of Texas Nations.

II. AUTHORITY

2.1 Statutory Authority

This Application is filed pursuant to TEX. INS. CODE § 443.258, which provides for the approval of claims and § 443.352, which provides for the termination of the receivership proceeding. The SDR is authorized to file this Application under TEX. INS. CODE § 443.154(a). All statutory references herein are to the Texas Insurance Code unless otherwise indicated.

2.2 Reference to Master

The subject matter of this Application was referred to the Master appointed in this proceeding in accordance with the *Order to Reference to Master* entered on July 16, 2009.

III. BACKGROUND

3.1 Company History

Texas Nations operated as a title insurance agent, as defined in § 2501.003(13). As an agent for title insurers, it maintained escrow accounts containing funds payable to certain parties in connection with real estate transactions including fees and assessments payable to the guaranty associations (“Escrow Funds”).

3.2 Appointment of Receivers

This Court entered an *Order Appointing Liquidator and Permanent Injunction* on July 16, 2009, placing Texas Nations in liquidation and appointing Commissioner Mike Geeslin as Receiver. Mike Geeslin was succeeded as Commissioner by Eleanor Kitzman effective August 15, 2011, and Eleanor Kitzman was succeeded as Commissioner by Julia Rathgeber effective May 27, 2013. Commissioner Rathgeber is the current Receiver, and Commissioners Geeslin and Kitzman were discharged as Receiver pursuant to § 443.151(a).

3.3 Appointment of SDR

The Receiver appointed DKJ Group, Inc. as Special Deputy Receiver effective October 5, 2009.

3.4 Impairment Order

On July 16, 2009, the Commissioner entered an order designating Texas Nations as an impaired title insurance agent, and the Texas Title Insurance Guaranty Association (“TTIGA”) became obligated to pay “covered claims” of Texas Nations.

3.5 Order of Reference

On July 16, 2009, this Court entered its *Order of Reference to Master*, appointing Tom Collins as Master in this proceeding.

IV. FINANCIAL SUMMARY

4.1 Reporting Requirements

Section 443.016 requires the SDR to periodically file a statement of assets and liabilities, changes in assets and liabilities, and funds received or disbursed during the period. The SDR has filed such statements through February 28, 2014. The statements filed herewith reflect the period ending August 15, 2014, and are the financial reports for the receivership in accordance with §443.016.

4.2 Financial Reports

The Statement of Net Assets and Net Liabilities, attached hereto as Exhibits A and B, reflect the financial condition of the receivership estate as of August 15, 2014. The Consolidated Cash Sources and Uses Statement, attached hereto as Exhibit C, lists all funds received and disbursed from the receivership estate from the date of receivership through August 15, 2014.

V. ASSETS

5.1 General Assets

All of Texas Nations' general assets existing at the time of receivership, and collected after the date of receivership, were used to pay the administrative expenses of the receivership.

5.2 Escrow Funds

When Texas Nations was placed into receivership, it held Escrow Funds totaling \$478,495.37 as of July 31, 2009. A schedule of the Escrow Funds as of the date of receivership is attached hereto as Exhibit D. The Escrow Funds were not general assets of the receivership estate under § 443.004(9)(a)(i).

5.3 Loans

As Texas Nations lacked sufficient general assets to pay administrative costs of the receivership, a total of \$880,180 was borrowed from the Abandoned Property Fund in accordance with former article 21.28, § 8(j) (“APF Loan”).

VI. CLAIMS

6.1 Notice

On March 22, 2010, this Court entered its *Order Approving Joint Application to Provide Notice of Liquidation, Set Claims Filing Deadline and Establish Claims Processing Procedure* setting July 15, 2010 as the deadline to file claims against the receivership estate and TTIGA (the “Claim Filing Deadline”). In accordance with this Order, the SDR and TTIGA provided notice of the claim filing deadline to all persons who may have had claims as shown by Texas Nations’ books and records. In addition, the SDR and TTIGA published notice of the claims filing deadline in newspapers of general circulation in Brazoria, Dallas, Denton, Fort Bend, Harris, Montgomery, Tarrant, Travis and Williamson Counties.

6.2 Filed Claims

One hundred twenty-seven (127) proofs of claim (“POCs”) were filed presenting 132 claims. The POCs included claims against Escrow Funds (“Escrow Claims”) and other types of claims against Texas Nations (“Non-Escrow Claims”). Three (3) of the Non-Escrow POCs were filed after the claims filing deadline.

6.3 Claims Processing

The SDR reviewed all POCs pursuant to § 443.253. Twenty-four (24) POCs were referred to TTIGA in accordance with § 443.253(m). TTIGA approved two (2) POCs as

“covered claims” in the total amount of \$104,759.32, and rejected twenty-two (22) POCs. The SDR made the following determinations regarding the 127 POCs presenting 132 claims:

- a) Twenty two (22) Escrow Claims were allowed as escrow claims,
- b) Two (2) were satisfied by payment from TTIGA,
- c) Eight (8) were allowed as Class 5 claims,
- d) Two (2) were allowed as Class 6 claims,
- e) Two (2) were allowed as Class 7 claims,
- f) Two (2) claims were classified as Class 5 claims,
- g) Three (3) claims filed after the claim filing deadline were classified as Class 8,
- h) Eighty nine (89) Escrow and Non-Escrow Claims were disallowed,
- i) One (1) claim filed by TTIGA was allowed as a Class 2 claim, and
- j) One (1) claim filed by TTIGA for administrative expenses was allowed.

The period of time allowed by § 443.253(c) to appeal the SDR’s action on all POCs has expired, and the SDR’s determinations on these claims are final and not subject to review.

6.4 Report of Claims

Pursuant to § 443.258, the SDR submitted a First Report of Claims, which was approved by this Court on January 23, 2013. The Second Report of Claims is attached hereto as Exhibit E. The SDR submits Exhibit E to this Court for approval pursuant to § 443.258. Attached as Exhibit F is a complete listing of all claims filed with the SDR.

6.5 “Covered Claims”

All claims representing “covered claims” were referred to TTIGA pursuant to §443.253(m). Section 2602.302(a) provides that TTIGA shall pay covered claims existing before the determination of impairment, or arising on or before the deadline for covered claims. TTIGA processed all covered claims that existed before the entry of the impairment order, or arose on or before the Claims Filing Deadline. TTIGA paid two claims in the total amount of \$104,759.26 as shown on Exhibit G. One of these claims was submitted to TTIGA on March 22, 2012, after the Claims Filing Deadline. Under § 2602.255(7), a covered claim does not include a claim filed with TTIGA after the “final date set by the court for the filing of claims.” Section

443.251(a) permits this Court to extend the Claims Filing Deadline for good cause, or allow alternative requirements for filing claims by a class or group of persons. To avoid any potential conflicts between the requirements of § 2602.255(7) and § 2602.302(a), the SDR requests that this Court extend the Claims Filing Deadline for covered claims only to March 22, 2012. As there will be no distribution on any POCs filed in the receivership, this will not affect any creditors.

In addition, TTIGA had a claim in the amount of \$57,570.32 which it was unable to resolve, TTIGA interplead \$57,570.32 into the registry of this court as described in Paragraph 8.5 hereof.

VII. EXPENSES

7.1 Approval and Payment

On November 23, 2009 and March 1, 2010, this Court entered its orders approving the terms of compensation of the SDR and its contractors, and other expenses of the receivership. These costs have been reported through February 28, 2014, in accordance with § 443.015.

7.2 Closing Expenses

Attached hereto as Exhibit H is the Statement of Expenses submitted in accordance with § 443.015(g). The SDR requests that this Court approve these expenses pursuant to §443.015(d). As the expenses will be paid from the APF Loan, any amount remaining from the expense reserve will be returned to the Commissioner.

VIII. DISTRIBUTIONS

8.1 General Assets

All of Texas Nations' cash and liquidated general assets were used to pay expenses of the receivership. There are no remaining general assets available for distribution to creditors.

8.2 APF Loan

The estate received a total of \$880,180 from the Abandoned Property Fund. The proceeds of the APF Loan were used to pay the administrative expenses of the receivership in excess of its cash and liquidated general assets. Any unexpended portion of the APF Loan will be returned to the Commissioner for deposit in the Abandoned Property Fund.

8.3 Escrow Fund Disbursements

At July 31, 2009, Texas Nations held escrow funds totaling \$478,495.37. For a period after the date of receivership, funds were allowed to be deposited to the escrow fund accounts for closings initiated prior to receivership. These funds were subsequently returned as the pre-receivership closings were transferred to other agents. In addition, interest income, tax refunds and bank charges were received or incurred after receivership in the net amount of \$10,520.45. The SDR transferred Escrow Funds totaling \$100,151.26 to TTIGA. The SDR disbursed additional Escrow Funds to claimants with allowed POCs in the total amount of \$16,979.85 as shown on the schedule attached hereto as Exhibit I.

8.4 Unclaimed Escrow Funds

No POCs were filed and/or allowed against the remaining Escrow Funds (“Unclaimed Escrow Funds”) totaling \$371,884.71. The Unclaimed Escrow Funds shall be treated as unclaimed funds pursuant to § 443.304.

8.5 Funds deposited into the Registry of this Court

On September 27, 2013, TTIGA filed its *Original Interpleader Petition and Request for Declaratory Judgment* (“Interpleader”) against the SDR, Elmer Reyes (“Reyes”), Bank of America, N.A. (“Bank of America”), BBVA Compass f/k/a Compass Bank, N.A. (“Compass”) and Lawyers Title Insurance Corporation n/k/a Fidelity National Title Insurance Company

(“Lawyers Title”) (collectively, “Interpleader Defendants”). On February 6, 2014, the *Order on TTIGA’s Motion in Support of Interpleader and Request for Declaratory Judgment* was signed by this Court and TTIGA deposited \$57,570.32 into the registry of this Court. On June 4, 2013, this Court entered its *Order Approving the Special Deputy Receiver’s Motion to Sever* and the claims against the interplead funds were severed from this cause.¹ On June 20, 2014, the interplead funds were transferred to the severed cause.

IX. RESIDUAL ASSETS

9.1 Disposition of Residual Assets

Section 443.154 authorizes the SDR to transfer, abandon, or otherwise dispose of property on terms and conditions that are fair and reasonable. Further, § 443.352 permits the Court to enter any orders in connection with an application to terminate a receivership proceeding. The SDR requests this Court to order that the Commissioner, upon her discharge as Receiver, shall be vested with all rights to any of the receivership’s unknown assets, or known but unliquidated assets (“Residual Assets”). The Residual Assets include Texas Nations’ obsolete computers and other equipment, which have no value but contain records of Texas Nations. Upon her discharge as Receiver, the Commissioner shall have discretion pursuant to §443.354(b) to retain or dispose of this equipment and the records they contain.

9.2 Distribution of Residual Assets

Any recovery from the assets described in Paragraph 9.1 will be used to pay the expenses of collection, and net recovery will be applied to the balance of the APF Loan. In accordance with § 443.154(j) and § 443.301(a)(3), the loan has priority over Class 1 claims. Any remaining

¹Cause No. Cause No. D-1-GN-14-001716; *Elmer Reyes v. Lawyers Title Insurance Corporation n/k/a Fidelity National Title Insurance Company, Bank of America, N.A. and BBVA Compass f/k/a Compass Bank, N.A.*; In the 419th Judicial District Court of Travis County, Texas.

net amount will be distributed in accordance with the priorities established under § 443.301. Any amount remaining after the payment of the APF Loan will be distributed to TTIGA on its Class 1 and Class 2 claims. If the liquidated assets exceed the Class 1 and Class 2 claims, the remaining funds will be transferred to the Commissioner. If the amount is sufficient, this proceeding may be reopened under § 443.353 to distribute the funds.

9.3 Disposition of *De Minimis* Funds

Section 443.352 authorizes this Court to enter orders transferring remaining funds that are “uneconomic to distribute”. The SDR requests that any net recovery from the assets described in Paragraph 9.1 that cannot be distributed economically be considered *de minimis*, and treated as funds that have been abandoned under § 443.304(b).

X. FEDERAL INCOME TAX RETURNS

10.1 The SDR has filed income tax returns with the Internal Revenue Service (“IRS”) for years 2009 through 2013. There are no federal taxes owed by the receivership estate. The SDR requests authority to file an income tax return with the IRS for 2014.

XI. DISSOLUTION

11.1 Dissolution of Corporation

Texas Nations was incorporated as a corporation with the Texas Secretary of State. The SDR requests that this Court dissolve the corporate entity pursuant to § 443.153(a).

11.2 License

Texas Nations’ title insurance agent’s license expired on February 1, 2010. On November 2, 2010, the Enforcement Division of the Texas Department of Insurance noticed the SDR of an administrative hearing scheduled on January 25, 2011 in the matter styled Docket No. 454-11-1004.D; *Texas Department of Insurance vs. Texas Nations Title Agency, Inc.*; before the

State Office of Administrative Hearings. The SDR responded to the notice and requested a continuance in order to file an application to abandon the Texas Nations license. On April 12, 2011, the SDR filed an *Application for Authority to Abandon Agency License*. This Court approved the application on May 12, 2011. On September 15, 2011, the administrative matter against Texas Nations was dismissed.

XII. AUTOMATIC STAY

12.1 Expiration of Stay

In accordance with § 443.008(f), the stay of actions against Texas Nations provided under § 443.008(c) continues until the termination of this proceeding. Upon the entry of a final order terminating this proceeding, the stay of actions against Texas Nations will expire by operation of law.

12.2 Exclusions

Pursuant to § 443.001(b), the stay and the injunctions entered by this Court shall not be construed as a limitation of the Commissioner's powers regarding Texas Nations, including but not limited to actions against any licenses issued to Texas Nations, or those acting on its behalf.

XIII. DISCHARGE AND TERMINATION

13.1 The SDR requests the Court to issue an order pursuant to § 443.352 terminating this proceeding, discharging the Receiver and SDR, and granting the other relief requested in this Application. Section 443.014 grants immunity to the Receiver, the SDR and other assistants and contractors, both present and former. The termination of this proceeding and the automatic stay does not terminate the immunity available under this provision.

XIV. OFFER OF PROOF

14.1 Attached hereto is an affidavit submitted under § 443.017, authenticating the exhibits attached hereto, which are incorporated herein by reference.

XV. NOTICE

15.1 In accordance with § 443.007(d) and the *Order of Reference to Master*, this Application has been served on parties that have filed an appearance in this proceeding and other parties as determined by the SDR as shown on the Certificate of Service fourteen (14) days prior to the submission date of the Application.

PRAYER

WHEREFORE, PREMISES CONSIDERED, the SDR respectfully prays that this Court enter an Order:

1. Approving the Application in all respects;
2. Accepting the final financial statements attached as Exhibit A, B and C;
3. Approving the Second Report of Claims attached as Exhibit E;
4. Approving the final statement of expenses attached as Exhibit H;
5. Authorizing the handling of Unclaimed Escrow Funds pursuant to § 443.304;
6. Ordering that the Commissioner, upon her discharge as Receiver, shall be vested with all rights to the receivership's Residual Assets;
7. Authorizing the Commissioner to collect, liquidate and distribute any Residual Assets remaining upon the termination of this proceeding pursuant to § 443.154 and § 443.352, and retain or dispose of obsolete equipment, in her discretion;
8. Authorizing the Commissioner to retain or dispose of any records of Texas Nations pursuant to § 443.354(b);

APPLICANT'S NOTICE OF SUBMISSION

Pursuant to the terms of the *Order of Reference to Master* entered on July 16, 2009 by the District Court in this cause, the *Final Report and Application to Terminate Receivership Proceeding and Discharge Receiver and Special Deputy Receiver* is set for written submission before the Master, Tom Collins, on September 29, 2014.

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

1. Any objection by a party in interest (“objecting party”) must be filed with the Travis County District Clerk at least 3 calendar days before the submission date.
2. A copy of any objection shall be served by such date on:
 - (a) The Master's Docket Clerk at specialmasterclerk@tdi.texas.gov (*by email*); 333 Guadalupe, Hobby Tower III, 5th Floor, Room 550, Austin, Texas (*by hand delivery*); or MC-305-1D, P.O. Box 149104, Austin, Texas 78714-9104 (*by mail*).
 - (b) All parties in interest, including those listed on the Applicant's Certificate of Service, and the undersigned counsel.
3. 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.
4. If a matter is set for submission, an objecting party shall expeditiously coordinate with Applicant’s counsel and the master’s docket clerk [(512) 475-1761] to obtain an oral hearing, unless the master determines that an oral hearing is not necessary. The objecting party shall serve a Notice of Oral Hearing on applicant’s counsel and all interested parties, including those listed on the Applicant’s Certificate of Service.
5. Failure to file timely a written objection before the Master constitutes a waiver of the right to object to the Master's recommendation to the District Court.
6. Any Acknowledgment of Notice and Waiver to be filed by any party in interest should be filed at least 3 calendar days before the submission or hearing date.

/s/ Brian E. Riewe
Brian E. Riewe

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served on all interested parties in accordance with the Texas Rules of Civil Procedure and TEX. INS. CODE ANN. §443.007(d) this 8th day of September, 2014.

Mr. Tom Collins, Special Master
by serving his Docket Clerk, Ms. Deona Sokol
Texas Department of Insurance
333 Guadalupe, Tower III, 5th Fl., MC-305-1D
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Mr. William James
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to Lawyers Title Insurance Co., American
Pioneer Title, and Ticor Title Insurance Co.
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Email: bill.james@fnf.com

Mr. Mark Greek
First American Title Insurance Company
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Houston, Texas 77077-7826
Email: mgreek@firstam.com

SPECIAL DEPUTY RECEIVER'S AFFIDAVIT

THE STATE OF TEXAS

§
§
§

COUNTY OF COLLIN

BEFORE ME, the undersigned authority appeared Darwin K. Johnson, who after being duly sworn by me, states the following under oath:

1. My name is Darwin K. Johnson. I am competent to make this affidavit. The statements of fact set forth herein are true and correct, and are within my personal knowledge. I am the President of DKJ Group, Inc., Special Deputy Receiver of Texas Nations Title Agency, Inc. I am duly authorized to make this certification and affidavit on behalf of the Special Deputy Receiver.

2. I certify that the records and documents attached hereto were produced pursuant to TEX. INS. CODE ANN. § 443.017(b), are true and correct copies of records created by and filed with the Receiver's office in connection with the receivership of this delinquent insurer, and are held by the Special Deputy Receiver in its official capacity.

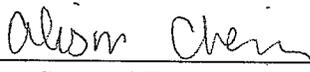
3. I further state that I have read the statements contained in the attached *Final Report and Application to Terminate Receivership Proceeding and Discharge Receiver and Special Deputy Receiver* and that they are true and correct based on my personal knowledge, my review of estate records and my consultation with my staff and sub-contractors.

4. Further affiant sayeth not.

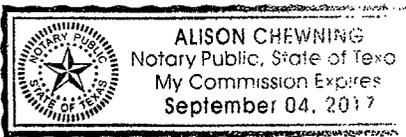


Darwin K. Johnson, President of DKJ Group, Inc.,
Special Deputy Receiver of Texas Nations Title
Agency, Inc.

SWORN TO, SUBSCRIBED, and ACKNOWLEDGED BEFORE ME by Darwin K. Johnson, President of DKJ Group, Inc., on this the 3rd day of September, 2014.



Notary – State of Texas



R-551

**Texas Nations Title Agency
Statement of Net Assets
For the Period Ending
08/15/14**

ASSETS		Note Ref
Current Assets		
Checking/Savings		
Unrestricted Bank Accounts		
Frost Bank Operating 0783	0	
Texas Treasury Operating 959	1,110	
Texas Treasury APF 958	56,123	
Total Unrestricted Bank Accounts	<u>57,233</u>	
Restricted Bank Accounts		
Texas Treasury Escrow 206	371,885	
Total Restricted Bank Accounts	<u>371,885</u>	(1)
Total Checking/Savings	429,118	
Other Current Assets		
Restitution Receivable	5,757	
Allowance for non-collection	(5,757)	
TOTAL ASSETS	<u><u>429,118</u></u>	

Notes

Ref No.

- (1) Represents amounts held in escrow accounts at Texas Treasury. This amount is also reflected as a secured claim on statement of net liabilities. Any interest income received and management fees incurred in this account are also posted to the corresponding liability account. The interest income and management fees are not treated as receivership income or expense on the RLO income statement as these funds are restricted assets.

**Texas Nations Title Agency
Statement of Net Liabilities**

**For Period Ending
08/15/14**

LIABILITIES & EQUITY

		<u>Note</u>
Liabilities		<u>Ref</u>
Current Liabilities		
Accounts Payable		
Accounts Payable	56,719	
Total Accounts Payable	56,719	
Other Current Liabilities		
Class 1 Claims		
Secured Claims-Escrow Bank Acco	371,885	(1)
Loan-Abandoned Property Fund	880,180	(2)
Administrative Claim-TTIGA	390,183	(3)
Total Class 1 Claims	1,642,248	
Loss Reserves		
Loss Claims Paid - GA	62,179	(4)
Loss Reserves-Non GA	361,828	(5)
Total Loss Reserves	424,007	
Total Current Liabilities	2,122,974	
Total Liabilities	2,122,974	
Equity		
Unassigned Funds	(1,643,292)	
Net Income	(50,564)	
Total Equity	(1,693,856)	
TOTAL LIABILITIES & EQUITY	429,118	

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

- (1) Represents amounts held in escrow accounts at Texas Treasury. These amounts are reflected as restricted funds on statement of net assets.
- (2) Unsecured Loans-Reflects amounts obtained from the Texas Abandoned Property Fund
- (3) Reflects TTIGA administrative fees from "Guaranty Fund Payout Calculations" report dated June 10, 2014.
- (4) Reflects amounts from TTIGA "Guaranty Fund Payout Calculations" report dated June 10, 2014.
- (5) Amounts reported on First Report of Claims 131,828
Amounts reported on Second Report of Claims 230,000

Texas Nations Title Agency
Sources & Uses of Cash-Non Restricted Funds

For the Period from Inception to August 15, 2014

Line	Totals
Income	
1 Premium Receipts	
2 Settlements	63,424
3 Policy Loan Receipts	0
4 Proceeds from Sale of Real or Personal Property	1,200
5 Reinsurance Recoveries	0
6 Salvage & Subrogation Recoveries	0
7 Agents' Balances Received	0
8 Collection of Affiliate Receivables	0
9 Proceeds from Abandoned Property Fund Loan	880,180
10 Other Receipts	207,156
11 Total Operational Receipts	1,151,960
12 Interest & Dividend Receipts	243
13 Net Cash Provided by Investment Activities	
14 Total Cash Receipts from Investment Activities	243
15 Total Cash Receipts	1,152,203
Operational Expenses	
16 Deputy Receiver & Consulting Fees & Expenses	625,528
17 Employee Salaries, P/R Taxes & Employee Benefits	0
18 Rent, Office & Other Facility Expenses	79,772
19 Legal Fees & Expenses	269,259
20 Accounting & Auditing Fees & Expenses	93,739
21 SGA - Administration Expenses other than LAE	26,623
22 Ancillary Administration Expenses	24,258
23 Other Disbursements	0
24 Total Operational Disbursements	1,119,179
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	
28.2 Losses/Benefit Payments - Non SGA	
28.3 Losses/Benefit & LAE Payments - Special Deposits	
29.1 LAE Payments - SGA	
29.2 LAE Payments - non SGA	
30 Early Access Payments	
31 Reinsurance Payments	
32 Total Cash Distributions	0
33 Total Cash Disbursements & Distributions	1,119,179
34 Net Increase(Decrease) in Cash	33,024
35 Cash at Beginning of Period	24,209
36 Cash at End of Period	57,233

Texas Nations Title Agency (R551)

Schedule of Escrow Funds as of July 31, 2009

<u>Institution</u>	<u>Acct Number Suffix</u>	Balance as of <u>Receivership Date</u>
Bank of America	7341	\$13,074.96
Bank of America	6055	\$24,025.99
Bank of America	4245	\$24,798.34
Bank of America	5439	\$938.18
Bank of America	2032	\$211,162.11
Bank of America	5614	\$98,873.78
Bank of America	4119	\$100,886.98
Bank of America	1056	<u>\$4,735.03</u>
	Total	<u><u>\$478,495.37</u></u>

Exhibit D

**Texas Nations Title Agency Inc. R-551 in Receivership
Second Report of Claims**

Claim No.	Claimant Name	Classification	Action Taken	Amount Allowed
POC 003	Saxon Mortgage Services, Inc.	Class 5	Disallowed	
POC 007	Dry Lock, Ltd.	Satisfied	Referred to TTIGA	
POC 023	Individual	Escrow	Disallowed	
POC 076	Texas Title Insurance Guaranty Association	Class 1	Allowed	390,182.73
POC 076	Texas Title Insurance Guaranty Association	Class 2	Allowed	62,178.38
POC 079	Golden Bank NA	Satisfied	Referred to TTIGA	
POC 088	Individual	Escrow	Allowed	57,570.32
POC 098	Lawyer's Title Insurance Company, C/O N. Castro	Class 5	Allowed	70,000.00
POC 099	Lawyer's Title Insurance Company, C/O M. Delgado	Class 5	Allowed	110,000.00
POC 100	Lawyer's Title Insurance Company, C/O E. Reyes	Class 5	Disallowed	
POC 101	Lawyer's Title Insurance Company, C/O M. Velasquez	Class 5	Allowed	50,000.00
POC 102	Lawyer's Title Insurance Company, C/O Amado Nunez	Class 5	Disallowed	
POC 112	US Bank, National Association, as Trustee of Maiden Lane Asset-Backed Securities	Class 5	Classified	
POC 113	Individual	Escrow	Disallowed	
POC 115	Individual	Escrow	Released	
POC 121	Wells Fargo	Class 5	Disallowed	
POC 127	Individual	Class 8	Classified	

**Texas Nations Title Agency Inc. R-551 in Receivership
List of Claims**

Claim No.	Claimant Name	Classification	Action Taken	Amount Allowed
POC 001	Aldrich Abstract Company	Escrow	Allowed	304.60
POC 002	Individual	Escrow	Allowed	5,000.00
POC 003	Saxon Mortgage Services, Inc.	Class 5	Disallowed	
POC 004	Individual	Class 5	Disallowed	
POC 005	Individual	Escrow	Allowed	28.29
POC 006	Individual	Class 5	Disallowed	
POC 007	Dry Lock, Ltd.	Satisfied	Referred to TTIGA	
POC 008	Individual	Class 5	Disallowed	
POC 009	Individual	Class 5	Disallowed	
POC 010	Individual	Class 5	Disallowed	
POC 011	Individual	Class 5	Disallowed	
POC 012	Individual	Class 5	Disallowed	
POC 013	Individual	Class 5	Disallowed	
POC 014	Individual	Class 5	Disallowed	
POC 015	Individual	Class 5	Disallowed	
POC 016	Individual	Class 5	Disallowed	
POC 017	Individual	Class 5	Disallowed	
POC 018	Individual	Class 5	Disallowed	
POC 019	Individual	Class 5	Disallowed	
POC 020	Individual	Class 5	Disallowed	
POC 021	Harris County Clerk	Class 6	Allowed	24.00
POC 021	Harris County Clerk	Class 7	Allowed	30.00
POC 022	Individual	Class 5	Disallowed	
POC 023	Individual	Escrow	Disallowed	
POC 024	Individual	Class 5	Disallowed	
POC 025	Individual	Class 5	Disallowed	
POC 026	Tarrant County Tax Assessor Collector	Escrow	Allowed	1,200.00

**Texas Nations Title Agency Inc. R-551 in Receivership
List of Claims**

Claim No.	Claimant Name	Classification	Action Taken	Amount Allowed
POC 026	Tarrant County Tax Assessor Collector	Class 6	Allowed	1,134.17
POC 026	Tarrant County Tax Assessor Collector	Class 7	Allowed	823.90
POC 026	Tarrant County Tax Assessor Collector	Class 6	Disallowed	
POC 027	Melendez Law, PC	Class 5	Disallowed	
POC 028	Individual	Class 5	Disallowed	
POC 029	Individual	Class 5	Disallowed	
POC 030	Individual	Class 5	Disallowed	
POC 031	Individual	Class 5	Disallowed	
POC 032	Individual	Class 5	Disallowed	
POC 033	Individual	Class 5	Disallowed	
POC 034	Individual	Class 5	Disallowed	
POC 035	Individual	Class 5	Disallowed	
POC 036	Individual	Class 5	Disallowed	
POC 037	Individual	Class 5	Disallowed	
POC 038	Individual	Class 5	Disallowed	
POC 039	Heart-Land Title Co	Escrow	Allowed	293.00
POC 040	Heart-Land Title Co	Escrow	Allowed	212.00
POC 041	Heart-Land Title Co	Escrow	Allowed	239.00
POC 042	Heart-Land Title Co	Escrow	Allowed	235.00
POC 043	Heart-Land Title Co	Escrow	Allowed	691.20
POC 044	Heart-Land Title Co	Escrow	Allowed	326.00
POC 045	Individual	Class 5	Disallowed	
POC 046	Individual	Class 5	Disallowed	
POC 047	Individual	Class 5	Disallowed	
POC 048	Individual	Class 5	Disallowed	
POC 049	Individual	Class 5	Disallowed	
POC 050	Individual	Class 5	Disallowed	

**Texas Nations Title Agency Inc. R-551 in Receivership
List of Claims**

Claim No.	Claimant Name	Classification	Action Taken	Amount Allowed
POC 051	Individual	Escrow	Allowed	1,120.44
POC 052	Individual	Class 5	Disallowed	
POC 053	Individual	Class 5	Disallowed	
POC 054	Individual	Class 5	Disallowed	
POC 055	Individual	Class 5	Disallowed	
POC 056	Sabine Title Company	Class 5	Allowed	481.29
POC 057	Individual	Escrow	Allowed	48.00
POC 058	GMAC Mortgage, LLC successor in interest to Flagship Financial Group, LLC	Class 5	Disallowed	
POC 059	Individual	Class 5	Disallowed	
POC 060	Individual	Class 5	Disallowed	
POC 061	Individual	Class 5	Disallowed	
POC 062	Individual	Class 5	Disallowed	
POC 063	Individual	Class 5	Disallowed	
POC 064	Individual	Class 5	Disallowed	
POC 065	Individual	Class 5	Disallowed	
POC 066	Individual	Class 5	Disallowed	
POC 067	Individual	Class 5	Disallowed	
POC 068	Stewart Title North Texas Division Unit 108	Escrow	Allowed	485.29
POC 069	Stewart Title North Texas Division Unit 108	Escrow	Allowed	187.20
POC 070	Stewart Title North Texas Division Unit 108	Escrow	Allowed	1,080.48
POC 071	Stewart Title North Texas Division Unit 108	Escrow	Allowed	376.59
POC 072	Stewart Title North Texas Division Unit 108	Escrow	Allowed	486.60
POC 073	Stewart Title North Texas Division Unit 108	Escrow	Allowed	344.94
POC 074	Stewart Title North Texas Division Unit 108	Escrow	Allowed	931.82
POC 075	Stewart Title North Texas Division Unit 108	Escrow	Allowed	3,389.40
POC 076	Texas Title Insurance Guaranty Association	Class 1	Allowed	390,182.73
POC 076	Texas Title Insurance Guaranty Association	Class 2	Allowed	62,178.38

**Texas Nations Title Agency Inc. R-551 in Receivership
List of Claims**

Claim No.	Claimant Name	Classification	Action Taken	Amount Allowed
POC 077	Individual	Class 5	Disallowed	
POC 078	Texas Select Lloyds Ins Co in Receivership	Class 5	Disallowed	
POC 079	Golden Bank NA	Satisfied	Referred to TTIGA	
POC 080	Individual	Class 5	Disallowed	
POC 081	Individual	Class 5	Disallowed	
POC 082	Individual	Class 5	Disallowed	
POC 083	Individual	Class 5	Disallowed	
POC 084	Individual	Class 5	Disallowed	
POC 085	Individual	Class 5	Disallowed	
POC 086	Individual	Class 5	Disallowed	
POC 087	Individual	Class 5	Disallowed	
POC 088	Individual	Escrow	Allowed	57,570.32
POC 089	Individual	Class 5	Disallowed	
POC 090	Individual	Class 5	Disallowed	
POC 091	Individual	Class 5	Disallowed	
POC 092	Individual	Class 5	Disallowed	
POC 093	Individual	Class 5	Disallowed	
POC 094	Cypress-Fairbanks Independent School District	Class 6	Disallowed	
POC 095	Fort Bend County	Class 6	Disallowed	
POC 096	Individual	Class 5	Disallowed	
POC 097	Lawyer's Title Insurance Company	Class 5	Allowed	58,500.00
POC 098	Lawyer's Title Insurance Company, C/O N. Castro	Class 5	Allowed	70,000.00
POC 099	Lawyer's Title Insurance Company, C/O M. Delgado	Class 5	Allowed	110,000.00
POC 100	Lawyer's Title Insurance Company, C/O E. Reyes	Class 5	Disallowed	
POC 101	Lawyer's Title Insurance Company, C/O M. Velasquez	Class 5	Allowed	50,000.00
POC 102	Lawyer's Title Insurance Company, C/O Amado Nunez	Class 5	Disallowed	
POC 103	Lawyer's Title Insurance Company	Class 5	Allowed	70,700.00

**Texas Nations Title Agency Inc. R-551 in Receivership
List of Claims**

Claim No.	Claimant Name	Classification	Action Taken	Amount Allowed
POC 104	Individual	Class 5	Disallowed	
POC 105	Index Group LTD	Class 5	Classified	
POC 106	BAC Home Loans Servicing, LP f/k/a Countrywide Home Loans Servicing, LP	Class 5	Disallowed	
POC 107	BAC Home Loans Servicing, LP f/k/a Countrywide Home Loans Servicing, LP	Class 5	Disallowed	
POC 108	Individual	Class 5	Disallowed	
POC 109	Individual	Class 5	Disallowed	
POC 110	Individual	Class 5	Disallowed	
POC 111	Individual	Class 5	Disallowed	
POC 112	US Bank, National Association, as Trustee of Maiden Lane Asset-Backed Securities	Class 5	Classified	
POC 113	Individual	Escrow	Disallowed	
POC 114	Individual	Class 5	Disallowed	
POC 115	Individual	Escrow	Released	
POC 116	Individual	Class 5	Disallowed	
POC 117	Individual	Class 5	Disallowed	
POC 118	Individual	Class 5	Disallowed	
POC 119	Individual	Class 5	Disallowed	
POC 120	Heritage Title & Abstract	Class 5	Allowed	39.00
POC 121	Wells Fargo	Class 5	Disallowed	
POC 122	Lawyers Title Insurance Company	Class 5	Disallowed	
POC 123	Heritage Title & Abstract	Class 5	Allowed	96.00
POC 124	Individual	Class 5	Disallowed	
POC 125	PNC Mortgage, a division of PNC Bank, NA	Class 8	Classified	
POC 126	Town Square Ventures, L.P.	Class 8	Classified	

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Texas Nations Title Agency

Texas Title Insurance Guaranty Association

Escrow Funds Disbursed

POC No.	Claimant	Paid Amount
079	Golden Bank, N.A.	47,500.00
125	PNC Mortgage, a division of PNC Bank, N.A.	57,259.32
	Total	<hr/> 104,759.32
	Interplead to Receivership Court	57,570.32

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Texas Nations Title Agency
Statement of Expenses

For Period Ending
08/15/14

	Total Mar	Total Apr	Total May	Total June	Total July	Total Aug 1 - Aug 15	Total Mar 1 - Aug 15
SDR							
DKJ Group							
SDR	2,115.00	652.50	1,755.00	1,950.00	1,057.50	675.00	8,205.00
SDR Travel	15.00	0.00	0.00	0.00	15.00	52.50	82.50
Clerical	0.00	0.00	42.00	0.00	29.75	0.00	71.75
Expenses	8.24	0.00	14.31	0.00	14.31	17.92	54.78
Total SDR Billing	2,138.24	307.50	1,811.31	1,950.00	1,116.56	745.42	8,069.03
SDR Subcontractors - Legal							
Brian E. Riewe, P.C.							
Estate Counsel	1,507.50	1,012.50	2,542.50	2,205.00	855.00	180.00	8,302.50
Paralegal	1,432.00	224.00	1,624.00	1,424.00	464.00	312.00	5,480.00
Expenses	13.45	5.25	3.00	312.25	0.00	0.00	333.95
Total Billing	2,952.95	1,241.75	4,169.50	3,941.25	1,319.00	492.00	14,116.45
Total Legal Subcontractors	2,952.95	1,241.75	4,169.50	3,941.25	1,319.00	492.00	14,116.45
SDR Subcontractors - Other							
Petrosewicz & Company, Inc							
Accountant-CPA	105.00	105.00	690.00	705.00	405.00	75.00	2,085.00
Accountant	486.00	369.00	1,314.00	882.00	279.00	225.00	3,555.00
Expenses	17.01	10.71	9.92	30.47	6.00	3.20	77.31
Total Billing	608.01	484.71	2,013.92	1,617.47	690.00	303.20	5,717.31
The Warren Group							
Accountant-CPA	0.00	0.00	0.00	1,950.00	1,500.00	0.00	3,450.00
Accountant-CPA Travel	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Billing	0.00	0.00	0.00	1,950.00	1,500.00	0.00	3,450.00
ABACI Inc							
Technical Data Analyst	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Technical Data Analyst-Travel	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Billing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other SDR Subcontractors	608.01	484.71	2,013.92	3,567.47	2,190.00	303.20	9,167.31
Receivership Service Providers							
Safe Site	50.00	50.00	50.00	50.00	0.00	0.00	200.00
KT Computing	0.00	97.43	0.00	0.00	0.00	97.43	194.86
Operating Account	17.00	17.00	17.00	17.00	17.00	0.00	85.00
Texas Treasury	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other	67.00	164.43	67.00	67.00	17.00	97.43	479.86
Sub-Total SDR, Subcontractor & Provider Expenses							
Sub-Total SDR, Subcontractor & Provider Ex	5,766.20	2,198.39	8,061.73	9,525.72	4,642.56	1,638.05	31,832.65
Liquidation Oversight Allocation							
RLO Allocation	0.00	0.00	180.00	0.00	0.00	0.00	180.00
Special Master's Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total RLO & SM Expense	0.00	0.00	180.00	0.00	0.00	0.00	180.00
Total Expenses	5,766.20	2,198.39	8,241.73	9,525.72	4,642.56	1,638.05	32,012.65

Exhibit H

Texas Nations Title Agency Inc. in Receivership (R551)

Escrow Claims Distributed by Special Deputy Receiver

Claim No.	Claimant Name	Classification	Amount Allowed
POC 001	Aldrich Abstract Company	Escrow	304.60
POC 002	Individual	Escrow	5,000.00
POC 005	Individual	Escrow	28.29
POC 026	Tarrant County Tax Assessor Collector	Escrow	1,200.00
POC 039	Heart-Land Title Co	Escrow	293.00
POC 040	Heart-Land Title Co	Escrow	212.00
POC 041	Heart-Land Title Co	Escrow	239.00
POC 042	Heart-Land Title Co	Escrow	235.00
POC 043	Heart-Land Title Co	Escrow	691.20
POC 044	Heart-Land Title Co	Escrow	326.00
POC 051	Individual	Escrow	1,120.44
POC 057	Individual	Escrow	48.00
POC 068	Stewart Title North Texas Division Unit 108	Escrow	485.29
POC 069	Stewart Title North Texas Division Unit 108	Escrow	187.20
POC 070	Stewart Title North Texas Division Unit 108	Escrow	1,080.48
POC 071	Stewart Title North Texas Division Unit 108	Escrow	376.59
POC 072	Stewart Title North Texas Division Unit 108	Escrow	486.60
POC 073	Stewart Title North Texas Division Unit 108	Escrow	344.94
POC 074	Stewart Title North Texas Division Unit 108	Escrow	931.82
POC 075	Stewart Title North Texas Division Unit 108	Escrow	3,389.40
		Total	16,979.85