

NO. D-1-GV-08-001478

THE STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
	§	
Plaintiff,	§	
	§	
v.	§	
	§	
Guardian Fidelity Title Company, Ltd.,	§	TRAVIS COUNTY, TEXAS
Guardian Fidelity Title CLR, LLP,	§	
Guardian Fidelity Title NWR, LLP,	§	
Guardian Fidelity Title KTB, Ltd.,	§	
Guardian Fidelity Title SB Ltd., and	§	
Guardian Fidelity Title DFT, Ltd.	§	
	§	
Defendants.	§	419th JUDICIAL DISTRICT

FINAL REPORT AND APPLICATION TO MAKE FINAL DISTRIBUTION

TO THE HONORABLE JUDGE OF THIS COURT:

CANTILO & BENNETT, L.L.P., solely in its capacity as the Special Deputy Receiver (“SDR”) of Guardian Fidelity Title Company, Ltd., *et al.*¹ (“Guardian”), files this *Final Report and Application to Make Final Distribution* (the “Application”), and in support respectfully shows the Court as follows:

I. INTRODUCTION

1.1 The SDR requests this court to accept its financial reports, approve its final report of claims, and authorize a final distribution of assets held by the Guardian receivership estate (“Guardian Receivership”). In conjunction with this Application, the SDR files its final financial reports for the Guardian Receivership. Following the distribution, the SDR will submit a final accounting and an application to discharge the Receiver and the SDR and terminate this proceeding.

¹ Guardian Fidelity Title Company, Ltd., Guardian Fidelity Title CLR, LLP, Guardian Fidelity Title NWR, LLP, Guardian Fidelity Title KTB, Ltd., Guardian Fidelity Title SB Ltd., and Guardian Fidelity Title DFT, Ltd., each and collectively in liquidation.

II. AUTHORITY

2.1 Statutory Authority

The SDR files this Application pursuant to Texas Insurance Code section 443.258, which provides for the Court's approval of a report of claims, section 443.302, which provides for the Court's approval of a distribution, and section 443.016(a), which requires the filing of financial reports. The SDR is authorized to file this Application under Texas Insurance Code section 443.154(a). Unless otherwise indicated, all statutory references herein are to the Texas Insurance Code.

2.2 Reference to Master

The subject matter of the Application has been referred to the Special Master appointed in this proceeding in accordance with Paragraph III of the Order of Reference to Master appointing Tom Collins as Special Master in this proceeding entered on August 22, 2008.

III. BACKGROUND

3.1 Company History

Guardian, as defined herein, consists of six entities in receivership, all of which operated as title insurance agents, as that term is defined in Texas Insurance Code Annotated section 2501.003(13), with offices in Webster, Houston, Spring, Katy, Friendswood, and Sugar Land, Texas. Guardian acted as an agent for several solvent title insurance companies; Southern Title Insurance Company ("Southern") wrote the predominant share of the title insurance policies issued by Guardian. The relevant title insurance companies continue to process and pay claims on title insurance policies issued by Guardian. As title insurance agents, the Guardian entities were not required to, and did not, maintain reserves or reinsurance.

Guardian, as a title agent, maintained a number of escrow accounts (the "Escrow Accounts"). The Escrow Accounts correspond to an audit conducted by the Texas Department

of Insurance prior to receivership, and Guardian's financial records. The SDR confirmed the existence of the funds in the Escrow Accounts and safeguarded the accounts by notifying the financial institutions of the liquidation and freezing all of the accounts. The Escrow Accounts are not general assets of the estate under Texas Insurance Code Annotated section 443.004(9)(a)(i).

3.2 Guardian Receivership Proceeding

Guardian was placed in receivership in this proceeding on July 11, 2008. The Court entered an *Agreed Order Appointing Liquidator and Permanent Injunction* (the "Receivership Order") on July 11, 2008, appointing the Commissioner of Insurance for the State of Texas as Liquidator and Permanent Receiver ("Receiver"). The Receiver designated CANTILO & BENNETT, L.L.P. as SDR of Guardian through a Notice of Designation of Special Deputy Receiver filed on October 2, 2008, and made effective as of September 15, 2008.

The administration of the receivership estate was initially financed through Guardian's operating account, which has been depleted. Further administration of the estate was financed by recovered security bond proceeds, payments made pursuant to a Consent Order with Southern Title Insurance Company, and funds loaned from the Abandoned Property Fund in accordance with Texas Insurance Code section 443.015 (i) ("APF Loan"). All of the bond proceeds and funds paid by Southern have been expended. In accordance with sections 443.154 (j) and 443.301 (a)(3) of the Texas Insurance Code, the balance of the APF Loan is a Class 1(1) claim.

3.3 No Guaranty Association Coverage

Guardian, a title insurance agent, was declared insolvent pursuant to Texas Insurance Code section 443.057(2). However, as there are no Escrow Account shortages, Guardian has not been designated an impaired agent pursuant to Texas Title Insurance Guaranty Act section 2602.003(5)(B), and no covered claims have been identified pursuant to section 2602.252. TEX. INS. CODE § 2602, *et seq.* As such, the Texas Title Insurance Guaranty Association has no obligations or claims in this estate.

IV. FINANCIAL STATEMENTS

4.1 Filing Requirements

Texas Insurance Code section 443.016 requires the SDR to periodically file a statement of the insurer's assets and liabilities; the changes in assets and liabilities; and funds received or disbursed during the period. The SDR files its final statements under section 443.016, subject to the final accounting.

4.2 Reports

The Statement of Net Assets attached as "Exhibit 1(A)" and the Statement of Net Liabilities attached as "Exhibit 1(B)" reflect the financial condition of the receivership estate as of June 30, 2011. The consolidated Cash Sources and Uses Statement, attached as "Exhibit 2," lists all funds received and disbursed from the receivership estate from the date of receivership to June 30, 2011. These exhibits are incorporated herein by reference.

V. ASSETS

5.1 Inventory of Assets

The SDR prepared an Inventory of Assets for Guardian listing its assets at the time of receivership. The Inventory is attached as “Exhibit 3” and incorporated herein by reference. According to “Exhibit 3,” as of July 11, 2008 Guardian’s accounts held \$2,500,761 in escrow funds, and \$244,884 cash representing unrestricted general assets.

5.2 Disposition of Assets

A Disposition of Assets schedule is attached as “Exhibit 4” and incorporated herein by reference. The schedule sets forth all asset transactions since July 11, 2008. “Exhibit 4” reflects that all of Guardian’s liquidated general assets remaining on the date of receivership, or collected thereafter, have been expended to pay the administrative expenses of the receivership. There are no known unliquidated general assets of Guardian, with the exception of those assets that were written off as reflected on Exhibit 4. Attached as “Exhibit 2” and incorporated herein by reference is the consolidated Cash Sources and Uses Statement, which summarizes all funds received and disbursed from the date of receivership through June 30, 2011.

5.3 Unliquidated Assets and Unclaimed Escrow Funds

The SDR has no known unliquidated general assets, with the exception of those assets that were written off as reflected on Exhibit 4. The SDR holds \$224,296.29 in escrow funds for which no proof of claim (“POC”) was filed and/or approved (the “Unclaimed Escrow Funds”). The Unclaimed Escrow Funds are identified on the attached Exhibit 5, which lists the Guaranty File Number for the escrow, and the amount that was held, and remains unclaimed from the escrow. All of the accounts holding the Unclaimed Escrow Funds have been closed and

consolidated into the Guardian Receivership account with the Texas Treasury. As described below, the SDR shall transfer the Unclaimed Escrow Funds to the Commissioner pursuant to Texas Insurance Code section 443.304, with the exception of those funds borrowed by the SDR pursuant to section 443.154 for the payment of administrative expenses through the termination of this proceeding.

VI. EXPENSES

6.1 Paid Expenses

On August 5, 2009, this Court approved the SDR's application for approval of compensation and expenses pursuant to section 443.015 of the Texas Insurance Code and entered its *Order Approving Application for Approval of Fees and Expenses*. The SDR's compensation and expenses from the date of Guardian's receivership through April 30, 2011, have been paid in accordance with this order. Section 443.015(g) requires that expense reports be filed quarterly, or as otherwise provided by this Court. The last expense report was filed in this proceeding on September 15, 2011.

6.3 Reserve for Final Expenses

The fees and expenses of the receivership have been paid through April 30, 2011. The SDR proposes to reserve \$23,333, the remaining balance of the APF Loan, for the payment of estimated expenses through the termination of this proceeding, and to take a loan under section 443.154 from funds that are unclaimed under section 443.304 for any additional expenses. A summary of the estimated expenses is attached as "Exhibit 6," and incorporated by reference. Exhibit 6 reflects that the estate owed \$93,952.60 in unpaid administrative expenses as of September 30, 2011, which will be paid pursuant to this application, along with the current and

estimated administrative expenses necessary to complete the final distribution, final accounting and seek the discharge of the Receiver and SDR and the dismissal of the proceeding.

The SDR will submit a final statement of expenses pursuant to section 443.015 of the Texas Insurance Code with an accounting of the distribution (the “Final Accounting”). If the actual expenses are less than the expense reserve, the balance shall be returned to the Commissioner.

VII. CLAIMS

7.1 Categories of Claims

There were two types of claims in the Guardian receivership estate. The first type consisted of claims to funds held in escrow by Guardian in its capacity as a licensed title insurance agency. As noted above, funds held in escrow are not general assets of the estate under Texas Insurance Code section 443.004(9)(a)(i) and could not be used to pay the claims of general creditors of the estate. The second category of claims consisted of all other claims, which were classified in accordance with Texas Insurance Code section 443.301, and would only be payable from general assets of Guardian. There are no general assets available to making any payments. All general assets were expended in the administration of the estate.

7.2 Initial Handling of Escrow Funds

In order to protect Guardian’s customers, it was necessary to complete a number of escrow fund distributions before this Court entered its order establishing the process for handling POCs, as described in Paragraph 7.3. Prior to the designation of Special Deputy Receiver, the Receiver processed forty-two (42) escrow closings and or escrow account claims, and \$643,913.44 was distributed to the identified escrow account holders in accordance with the escrow agreements for the specific accounts. Exhibit 7 lists these distributions. Under Texas

Insurance Code section 443.251 (a), the SDR may request this Court to approve alternative procedures and requirements for the filing of claims, and deem that a POC was filed by a class or group of persons. The SDR requests the Court to deem that a POC was filed and approved for these escrow funds, and approve the distribution of the funds listed on Exhibit 7.

After its appointment, the SDR, pursuant to the May 11, 2009 *Order Granting Special Deputy Receiver's Application for Authority to Transfer Escrow Funds [Elberger Escrow]*, approved an agreement to transfer a \$1,028,916.00 escrow account. Those funds were transferred to a successor escrow agent agreed to by the parties, which was authorized by the Receivership Court's order.

7.3 Entry of the POC Order

On July 6, 2009, this Court entered its order granting the SDR's *Application to Provide Notice of Liquidation, Set Claims Filing Deadline, Resolve Escrow Accounts and Establish a Claims Processing Procedure* (the "POC Order"). The POC Order established August 31, 2009, as the deadline to file all claims, including Escrow Account claims, and set a deadline of September 30, 2009 for filing any late claims, and for finalizing all contingent or unliquidated claims under Texas Insurance Code section 443.255(c).

The POC Order required parties claiming funds held in Guardian's Escrow Accounts to file claims with the SDR. On the date that Guardian was placed into receivership, the SDR held approximately 650 escrow accounts, which ranged in amount from \$.01 (one cent) to over \$1,000,000. Notices were sent to all parties associated with any escrow account having a balance of \$50.00 or more, as well as to other identified potential creditors or claimants against the estate. In addition, a notice was published in both general circulation and local papers. The Guardian estate lacked sufficient financial resources and business records to make an independent determination regarding the actual ownership of, or right to possess, the escrow

funds in each and every account. Accordingly, the SDR was authorized to require claimants to the escrow funds to file a claim establishing an entitlement to funds held in an escrow account and further authority to process claims to the escrow account to efficiently conclude the administration of the receivership estate. The POC Order authorized the SDR to process escrow account claims pursuant to Subchapter F of the Act governing the processing of all other claims.

7.4 Claims

A total of 166 POCs, including 117 claims expressly seeking Escrow Account funds (“Escrow Account POCs”) were filed in the Guardian estate. Exhibit 8 lists all POCs, including the name of the claimant, the amount claimed and the SDR’s determination of the claim. All but seven claims were postmarked prior to the claims filing deadline. Late filed Escrow Account POCs were considered timely if no other claim has been received for the specific escrow account funds sought.²

7.5 Processing of Claims

All POCs for claims against the Guardian Receivership were adjudicated pursuant to section 443.253 or section 443.260 of the Texas Insurance Code with respect to their classification and, as applicable, amount. All deadlines to appeal the SDR’s determination have expired, and the SDR’s determinations are final pursuant to section 443.253(c) of the Texas Insurance Code with respect to all but one claim (see ¶ 7.6 below). The claims were processed as follows:

- a) The 117 Escrow Account POCs were 1) approved, 2) partially approved, 3) denied escrow status, or 4) denied in total as was deemed appropriate pursuant to the submission and the records for the account. If the SDR determined that there was a valid claim for funds held in an escrow account, the POC was approved as an escrow fund claim. The portion of a claim, if any, which was denied due to it

² Of the seven late filed claims, two were approved as escrow claims, two were classified as having a priority below class one, one was denied in full and the SDR seeks approval in this Application of its determination that the last two late filed claims should be approved as escrow claims, as more fully described below.

not being an escrow claim was given a priority determination of less than Class 1 under section 443.301 and the claim was not further adjudicated pursuant to section 443.253(k). A small number of claims were determined to have been previously paid and the transaction cleared prior to the receivership, and these claims were denied in full.

- b) The 49 POCs that did not assert escrow account claims were determined to have a priority of less than Class 1 under section 443.301 and were not further adjudicated pursuant to section 443.253(k).

7.6 Approval of Claims

After entry of the POC Order, the SDR submitted its determinations regarding the filed POCs and other distributions of escrow funds to the Court for approval as follows:

- a) On April 14, 2010, this Court issued its *Order Granting Special Deputy Receiver's Application For Approval of First Claims Report [Escrow Accounts] And Distribution of Escrow Funds to Approved Escrow Claimants* affirming the Special Deputy Receiver's determinations of thirty-seven (37) Escrow Account POCs.
- b) On May 20, 2010, this Court issued its *Order Granting Special Deputy Receiver's Application For Authority to Interplead D'Abbraccio Promissory Note and Be Discharged and, Thereafter, Granting the Motions to Sever and Transfer Venue by Katherine M. D'Abbraccio* authorizing the delivery of a note document to the registry of the Court and declaring the claims of Bettye Lowe-Lawson and Katherine M. D'Abbraccio were moot and dismissed with prejudice.
- c) On July 20, 2010, this Court issued its *Order Granting Special Deputy Receiver's Application For Approval of Second Claims Report And Distribution of Escrow Funds to Approved Escrow Claimants* affirming the Special Deputy Receiver's determinations of fifty-eight (58) POCs.
- d) On December 6, 2010, this Court issued its *Order Granting Special Deputy Receiver's Application For Approval of Special Deputy Receiver's Proposed Treatment of Claims [Nos. GUARD0146, GUARD0148, and GUARD0149]* determining that the claims of J.C. Investments Unlimited, L.L.C., and the Lawsons were not escrow claims and affirming the determination that the claims were of a priority less than Class 1 under section 443.301.
- e) On January 31, 2011, this Court issued its *Order Granting Special Deputy Receiver's Application For Approval of Third Claims Report And Distribution of Escrow Funds to Approved Escrow Claimants* affirming the Special Deputy Receiver's determinations of thirty-seven (37) POCs.
- f) On February 3, 2011, this Court issued its *Order Granting Special Deputy Receiver's Application For Authority to Interplead Funds, Determine Claims and be Discharged [DBSI/Grand Parkway/Tenant in Common Owners of Park Plaza*

Retail Center] authorizing the turnover of the contested funds to the Court and discharging Guardian from any further liability on the claims.

- g) On March 22, 2011, this Court issued its *Order Granting Special Deputy Receiver's Application For Approval of Fourth Claims Report And Distribution of Escrow Funds to Approved Escrow Claimants* affirming the Special Deputy Receiver's determinations of twenty-three (23) POCs.
- h) On April 12, 2011, this Court issued its *Order Granting Application for Approval of Special Deputy Receiver's Proposed Treatment of Claim [No. GUARD0140-Regions Bank]* affirming the less than Class 1 priority determination of the POC by the SDR.

7.7 Final Report of Claims

The SDR received two late filed escrow claims after filing its Application for Approval of Fourth Claims Report. The first claim, identified as POC GUARD0165, was filed by Jason Allen and seeks \$1,000.00; the second claim, identified as POC GUARD 0166, was filed by John Platis in the amount of \$10,000. The SDR has determined it holds escrow funds relating to the claims, that the claims should be approved and paid in the amounts requested.

The SDR requests that the Court approve its determination of POC GUARD0165 and POC GUARD0166 and authorize the SDR to distribute the approved amounts from the escrow accounts. The SDR does not seek relief relating to any other previously approved POC determination. The SDR will not accept any additional claims.

VIII. PROPOSED FINAL DISTRIBUTION OF ASSETS

8.1 Prior Distributions

As described above, certain escrow funds were previously distributed by the Receiver prior to the designation of the SDR or pursuant to orders of the Receivership Court.

8.2 Distribution to POC GUARD0165 and POC GUARD0166

The SDR shall transfer \$1000 to Jason Allen under POC 0165 and \$10,000 to John Platis under POC GUARD0166 for which approval is sought in this Application. The distribution shall take place before the transfer of the Unclaimed Escrow Funds to the Commissioner (below).

8.3 Unclaimed Escrow Funds

The SDR shall transfer to the Commissioner all Unclaimed Escrow Funds identified on Exhibit 5 pursuant to Texas Insurance Code section 443.304 remaining after the loan to the SDR to pay the current and future costs of administration.

IX. ASSIGNMENT

9.1 Assignment of Assets

Section 443.154 of the Texas Insurance Code authorizes the SDR to transfer, abandon, or otherwise dispose of property on terms and conditions that are fair and reasonable. Further, section 443.352 of the Texas Insurance Code permits the Court to enter orders in connection with an application to terminate a receivership proceeding, including orders to transfer any remaining assets that were uneconomic to distribute. There are no identified unliquidated assets of Guardian, with the exception of the assets that were written off of the Statement of Assets. An assignment to the Commissioner in a form substantially similar to “Exhibit 9,” will be delivered to transfer all unliquidated assets, known and unknown, of Guardian.

9.2 Liquidation and Disposition of Assigned Assets

If any assigned assets are liquidated, they will be applied to the balance of the APF Loan pursuant to section 443.304 of the Texas Insurance Code. If the liquidated assets exceed the balance of the APF Loan, this proceeding may be reopened under section 443.353 if the amount justifies a distribution. The SDR requests that this Court issue an order pursuant to section 443.352 that any funds realized from the assignment that cannot be economically distributed be treated in the same manner as funds that have been abandoned under section 443.304(b).

X. RECORDS

10.1 Disposal of Records

The SDR proposes to dispose of all remaining records that are not transferred to the relevant title insurance underwriter or the Commissioner as described below. Some of the records that will be destroyed contain personal financial information that may be subject to federal and state privacy laws. Those records containing confidential information will be shredded to prevent disclosure of the information. The records and the manner of their proposed destruction are described in “Exhibit 10.” Given the size of Exhibit 10, it will not be served with this Application and, instead, will be posted on the estate’s website at *www.guardianfidelitysdr.com*. The expense necessary to destroy and/or discard the records is reflected in Exhibit 6. The SDR requests authority to dispose of such records in the manner described herein in accordance with section 443.354 (a).

10.2 Transfer of Records to Title Insurance Underwriters

In coordination with the Texas Department of Insurance, the SDR transferred certain real estate closing files of Guardian to the title insurance company that was the underwriter for the closing transaction. The SDR now requests that this Court authorize it to transfer title to these records to applicable underwriter (hereinafter collectively referred to as the “Underwriters”), as the case may be, and further authorize these underwriters, and their agents and assigns to retain such records as required by law or any other legal requirement to maintain such records. The SDR does not seek to limit, reduce or otherwise modify any requirement that the Underwriters have to maintain the records. The documents conveyed to the Underwriters are identified on Exhibit 11. Given the size of Exhibit 11, it will not be served with this Application and, instead, will be posted on the estate’s website at *www.guardianfidelitysdr.com*.

10.3 Transfer of Records to the Commissioner

The records that are not either destroyed or transferred to the underwriter will be delivered to the Commissioner pursuant to section 443.354(b). The Receiver estimates that the cost of retaining such records will be \$1,572, and requests that such amount be reserved for the maintenance of the records, as reflected in Exhibit 6. The SDR requests that this Court authorize it to transfer such records and funds to the Commissioner. Pursuant to section 443.354(b), the Commissioner shall have discretion to retain or dispose of these records as appropriate.

10.4 Transfer of Old Guard Records

The SDR is in possession of certain business records for an entity called Old Guard. The records appear to largely contain mortgage loan applications and related documents. Old Guard was not a subsidiary or affiliate of Guardian but does not have a current business address, management or known owners. No third parties have sought to review or recover the Old Guard records.

The SDR has determined to maintain the Old Guard records for one (1) year from November 1, 2011 and, thereafter, have them shredded. Title to the Old Guard records shall be conveyed to the Commissioner. The records will be maintained in their current location, Safesite, until November 1, 2012. In the event a third party establishes the right to possess the records, the Commissioner is authorized to transfer them. The Old Guard records and the manner of their proposed destruction are described in "Exhibit 10." The expense necessary to destroy and/or discard the records is reflected in Exhibit 6.

XI. TAX RETURNS

11.1 The SDR has filed income tax returns with the Internal Revenue Service for years 2007 through 2010. The final tax return for 2011 will be filed prior to filing the final accounting. No post receivership taxes are owed to the Internal Revenue Service. There are pre-receivership taxes owed to the IRS, which, notwithstanding notice of the receivership and the deadline to file claims, did not file a proof of claim. Any claim by the IRS, whether filed or not, would be classified as having a priority of less than Class 1 because federal claims are classified as Class 3 under section 443.301 of the Texas Insurance Code. There are no funds available to pay any tax claims, regardless of their classification, because the general assets of the estate were spent to administer the receivership.

XII. CHARTER AND LICENSES

12.1 The SDR has determined that a sale of the charters and licenses of Guardian is not feasible. The SDR will request that this Court dissolve the charters pursuant to section 443.153(e) upon the termination of this proceeding.

12.2 Any licenses or other authorizations issued by the Texas Department of Insurance to conduct a title business have been and/or will be abandoned by the SDR.

XIII. NOTICE

13.1 Pursuant to Texas Insurance Code Annotated section 443.007(d), this Application has been served on the entire service list for this proceeding in the manner shown on the Certificate of Service. The SDR has posted this Application on the SDR's web site at *www.guardianfidelitysdr.com*. The SDR reserves the right to issue additional notice if, in its sole discretion with approval from the Receiver, it finds there is need for additional notice. All claimants that filed POCs were provided notice of the SDR's determination of their claim, the time period to object to the determination has expired and/or any appeals of the determinations

have been denied. The SDR will provide the Notice, attached as Exhibit 12, to all governments and tax authorities including but not limited to the IRS and to POC 0165 claimant, Jason Allen and POC 0166 claimant, John Platis. There are no distributions arising from the approval of this Application with the exception of the transfer of escrow funds under approved POC 0165 and POC 0166.

XIV. OFFER OF PROOF AND VERIFICATION

14.1 This Application has been verified as required by the Texas Rules of Civil Procedure by the affidavit and certification pursuant to Texas Insurance Code Annotated section 443.017(b) by Michael P. Marcin, Partner in CANTILO & BENNETT, L.L.P., solely in its capacity as the Special Deputy Receiver.

XV. NOTICE OF ELECTRONIC SERVICE REQUIREMENT

15.1 Pursuant to the Order Granting SDR's Application to Use Electronic Service of Pleadings and Notices entered on November 24, 2008, all pleadings filed in response to this Application or in regards to this estate shall be served by e-mail on the undersigned counsel and all parties shown in the attached Certificate of Service.

XVI. PRAYER

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

1. Granting the Application;
2. Accepting Exhibits 1-3 as final statements under section 443.016, subject to the final accounting;
3. Authorizing the SDR to borrow funds from the Unclaimed Escrow Funds in an amount necessary to pay current and future costs of administration;

4. Authorizing the SDR to transfer the Unclaimed Escrow Funds, described on Exhibit 5, to the Commissioner, less any amounts borrowed by the SDR;
5. Approving the reserve for estimated expenses described in Exhibit 6;
6. Approving the Escrow Fund Distributions described on Exhibit 7, and deeming that a POC was filed for such Escrow Funds;
7. Approving the SDR's Final Report of Claims for POC GUARD 0165 and POC GUARD0166 and authorizing the SDR to distribute \$1000 from restricted funds to POC 0165 claimant Jason Allen and \$10,000 from restricted funds to POC GUARD0166 claimant John Platis;
8. Authorizing the assignment of Guardian's unliquidated and unknown assets to the Commissioner in a form substantially similar to Exhibit 9;
9. Authorizing the SDR to dispose of the records described in Exhibit 10;
10. Authorizing the SDR to transfer title to Guardian's closing files records in their possession to the Underwriters, and authorizing them to retain such records as required by law or any other legal requirement to maintain such records;
11. Authorizing the SDR to transfer title to and deliver the remaining records of Guardian to the Commissioner, approving the reserve for estimated expenses to maintain such records after the termination of this proceeding, and authorizing the Commissioner to maintain or dispose of such records at her discretion;
12. Authorizing the SDR to file a final expense report with the final accounting;
13. Authorizing the SDR to execute and file tax returns and other tax forms as may be necessary;
14. Approving the SDR's abandonment of any remaining Guardian licenses;

15. Authorizing the SDR to seek the dissolution of all Guardian charters in the application to approve its Final Report;
16. Approving the form of Exhibit 12, the Notice of Final Distribution Application ;
17. Approving the manner and form of notice of the Application; and
18. Granting such further relief to which the SDR may be entitled.

Respectfully submitted,

By: Christopher Fuller

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Counsel for CANTILO & BENNETT, L.L.P., Solely in its Capacity as the Special Deputy Receiver of Guardian Fidelity Title Company, Ltd., *et al.*

CERTIFICATE OF SERVICE

I certify that on October 16, 2011, a true and correct copy of this Final Report and Application to Make Final Distribution was served pursuant to the Order of Reference to Master, the Order Granting Special Deputy Receiver's Application to Use Electronic Service of Pleadings and Notices, the Texas Rules of Civil Procedure and Texas Insurance Code section 443.007(d) on the following by electronic mail, except as specifically noted.

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1111 Constitution Avenue, N.W.
Washington, D.C. 20224

NO. D-1-GV-08-001478

THE STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
	§	
Plaintiff,	§	
	§	
v.	§	
	§	
Guardian Fidelity Title Company, Ltd.,	§	TRAVIS COUNTY, TEXAS
Guardian Fidelity Title CLR, LLP,	§	
Guardian Fidelity Title NWR, LLP,	§	
Guardian Fidelity Title KTB, Ltd.,	§	
Guardian Fidelity Title SB Ltd., and	§	
Guardian Fidelity Title DFT, Ltd.	§	
	§	
Defendants.	§	419th JUDICIAL DISTRICT

APPLICANT'S NOTICE OF SUBMISSION

Pursuant to the terms of the Amended Order of Reference to Master entered by the district Court in this cause, the SDR's Final Report and Application to Make Final Distribution (the "Application") is hereby set for written submission before the Special Master, Tom Collins, on October 31, 2011.

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) All interested parties by email, including the undersigned counsel, Christopher Fuller at cfuller@fullerlaw.org and those listed on the Applicant's Certificate of Service.
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) 463-6450] 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 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.

/s/ Christopher Fuller
Christopher Fuller

**R-540 Guardian Fidelity Title Company Ltd et al In Receivership
Statement of Net Assets**

**For the Period Ending
06/30/11**

EXHIBIT 1-A

Line		06/30/11
Cash		
1	Cash	
	Cash - Unrestricted	
	APF Funds	23,333
Investments		
2	Short-Tem Investments	
3	Bonds, Preferred Stocks & Common Stocks	
4	Investments in Subsidiaries, Controlled or Affiliated Entities	
5	Mortgage Loans	
6	Real Estate	
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	272,923
18	Total Unrestricted Assets	23,333
19	Total Restricted Assets	272,923
19A	Net Assets not Categorized	
20	Total Assets	296,256

Exhibit 1A

R-540 Guardian Fidelity Title Company Ltd et al In Receivership
Statement of Net Liabilities

EXHIBIT 1-B

For Period Ending
06/30/11

Line		Class	06/30/11
1	Secured or Trust Claims	1	270,008
	APF Loan	1	426,000
2	Special Deposit Claims	1	
Administrative			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	35,490
	Liquidation Oversight & Special Master's Fees	1	18,128
	Other Unsecured Loans	1	
4	Administrative Claims - Guaranty Assns	1	
	Claims Paid		
	Reserves		
5	LAE - Guaranty Assns	1	
	Claims Paid		
	Reserves		
Loss Claims			
6	Loss Claims - Guaranty Assns	2	
	Loss Claims Paid		
	Reserves		
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	71,460
12	Employee Claims	4	106,906
13	General Unsecured Creditor Claims (Other than Reinsurance Related)	5	2,711,991
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	40,688
	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		3,680,671
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(3,384,415)
	Total Liabilities & Equity		296,256

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.		
1	Outstanding Escrow Claims as of 06/30/11	270,008
13	Bank overdrafts, term and line of credit loans and underwriting fees due	
	Amegy Bank	1,512,432
	Prosperity Bank	371,232
	Regions Bank	541,481
	Southern Title Ins Co	286,845
		<u>2,711,991</u>

**Guardian Fidelity Title Company Ltd et al In Receivership
Sources & Uses of Cash**

**Inception to Date through 06/30/11
EXHIBIT 2**

Income		
	Settlements	403,300
	Other Receivable Receipts	64,552
	Proceeds from Sale of Real or Personal Property	15,569
	Interest	1,231
	Total Cash Receipts	484,652
Expenses		
	Special Deputy Receiver Fees & Expenses	(590,971)
	Legal Fees & Expenses	(105,036)
	General Administrative Expenses	(206,975)
	Accounting & Consulting Fees & Expenses	(163,504)
	Other Claims Expense	(123,520)
	Total Expenses	(1,190,006)
	Net Decrease in Cash	(705,354)
	Beginning Cash	244,884
	APF Loan	426,000
	Reclass restricted cash	928
	Void checks issued pre-receivership	3,257
	O/S Accounts Payable	53,618
	Net of Operations	(705,354)
	Cash at End of Period	23,333

R-540

Guardian Fidelity Title
Inventory of Know Assets as of 07/11/08

Initial Balance

Assets**Cash Unrestricted**

Cash

1st Community GFT Operating	143,769
Ameryg Bank - GFT DFT	47,117
Ameryg Bank - GFT Payroll	26,867
Ameryg Bank - GFT RFP	12,120
Ameryg Bank - GFT KTB	295
Ameryg Bank - GFT SB	14,666
Wells Fargo	51
Total Unrestricted Cash	244,884

Receivables

Employee Advances	41,571
DCH Note	71,006
Old Guard Note	14,068,707
Allow for Uncollectible	(14,181,285)
STIC Premium (Policy Fees A/R)	568,000

Total Receivables

568,000

Other Assets

FF&E	57,544
Leasehold Improvements	275,444
Reserve Adj Acct	(319,988)
Total FF&E	13,000

Restricted

Escrow Accounts

Frost Escrow	61,978
1st Community GFT Escrow	1,024,195
1st Community GFT Escrow 5030	1,131
1st Community GFT Escrow Recording	(198)
Ameryg CLR Escrow Recording	29,170
Ameryg CLR	205,883
Ameryg FBO DBSI Disc Escrow	388,280
Ameryg GFT	68,965
Ameryg David Holub Escrow	25,013
Ameryg Sanjay Patel Escrow	71,003
Prosperity Escrow	615,979
Regions Escrow	929
Regions Escrow Recording	8,433
Wells Fargo Escrow	2,500,761
Treasury Escrow	2,500,761
Total Escrow	2,500,761

Total Assets**3,326,645**

Exhibit 3

GUARDIAN FIDELITY TITLE COMPANY LTD INC IN RECEIVERSHIP #R640
DISPOSITION OF ASSETS SCHEDULE
07/11/08 thru 06/30/11

ASSET DESCRIPTION	ASSET BALANCE 07/11/08	NEW ASSETS	SOURCE OF NEW ASSETS	ASSET RECOVERY	SOURCE OF RECOVERY	DATE OF RECOVERY	AMOUNT OF WRITE OFF	REASON FOR WRITE OFF	DATE OF WRITE OFF	SETTLEMENT	SOURCE OF SETTLEMENT	DATE OF SETTLMNT	ASSET BALANCE AS OF 06/31/2009
CASH													
Beginning Cash	244,884	928	Reclass restricted cash										
		3,257	Void checks issued pre-receivership										
		426,000	Loan Abandoned Property Fund										
		1,231	Interest Income										
		400,000	Southern Title										
		3,300	Legal Fees recovered										
		4,552	Miscellaneous vendor refunds FYE 2009 and 2010										
		60,000	CNA Surety Bond proceeds										
		15,569	Sale of Furniture										
		(1,190,000)	Operations Expenses										
		53,618	O/S Accounts Payable										
Subtotal	244,884	(221,551)		0			0			0			23,333
INVESTMENTS													
Subtotal	0	0		0			0			0			0
REINSURANCE													
Subtotal	0	0		0			0			0			0
RECEIVABLES													
Fees Receivable-Policy Files	568,000						568,000	To establish allowance for uncollectibility	02/28/09				
Employee Advances	41,571												
Note Receivable- DCH	71,006												
Note Receivable-Old Guard	14,068,707												
Allowance for Collectibility A/R	(14,181,285)												
Subtotal	568,000	0		0			568,000		39,872	0			0
OTHER ASSETS													
Furniture, Fixtures & Equipment	57,544			2,325	Sale of FF&E	01/30/09							
Leasehold Improvements Allowance	275,444			13,244	Sale of FF&E	06/15/09	(2,569)	Adj allowance for sale of FF&E	07/30/09				
Subtotal	13,000	0		15,569			(2,569)			0			0
RESTRICTED ASSETS													
Beginning Balance-Escrow Accts	2,500,761	5,287	Interest earned										
		(4,896)	Bank Charges										
		(928)	Reclass to unrestricted										
		125	Refund										
		900	Voided pre-receivership checks										
		4,786	Interest Inc: Amegy Escrow Accounts										
		(2,229,802)	Distribution to claimants										
Subtotal	2,500,761	(2,224,528)		0			0			3,300			272,933
TOTAL	3,326,645	(2,446,076)		0			565,431		39,872	3,300			286,265

Unclaimed Escrow Account Schedule

GF Number	Partial Payment Amount	Current Account Value	Comment
2007066121		\$18,940.00	
2007097189		\$12,941.84	
2007117660		\$6,676.59	
2008010114		\$6,118.04	
E162008030801		\$5,535.43	
2007066278		\$5,099.81	
2005110747		\$5,000.00	
SB2008010081		\$3,906.23	
2005110900		\$3,313.23	
2007107461		\$3,149.29	
SB2008030699		\$3,068.90	
2005032061		\$2,934.69	
2008051354		\$2,778.76	
2005121033RRR		\$2,556.44	
2008041143		\$2,500.00	
2004060808		\$2,467.99	
2006124301RRR	\$0.00	\$2,200.00	Claim GUARD0036 denied, no other claimants
2004111420RR		\$2,187.77	
2005121052RR		\$2,128.57	
2006062712		\$2,000.00	
2007117610		\$2,000.00	
2008010256		\$1,910.71	
2007117665		\$1,870.42	
2004121438RR		\$1,686.28	
2007128030		\$1,636.40	
2008051477		\$1,567.95	
2006011271RR		\$1,500.00	
E042007086690		\$1,461.00	
2008051472		\$1,388.00	
F012007035137		\$1,350.00	
2004060746		\$1,335.82	
2008030870		\$1,308.12	
2005110836		\$1,284.41	
2008030681		\$1,196.00	
2008051312	\$3,480.09	\$1,174.04	Paid \$1940.76 to PSDR0026; \$1439.33 to PSDR0027 and \$100.00 to PSDR0028
2007127927		\$1,123.63	
E162008010010		\$1,100.00	
TOO2008030951		\$1,099.00	
DFT2008041019		\$1,090.86	
2008020598		\$1,024.10	
2005063000		\$1,000.00	
2005090276		\$1,000.00	
2005120918		\$1,000.00	
2005121049		\$1,000.00	
2006021448		\$1,000.00	
2006042174		\$1,000.00	

GF Number	Partial Payment Amount	Current Account Value	Comment
2006093472		\$1,000.00	
2007024947		\$1,000.00	
2007055921		\$1,000.00	
2007097230		\$1,000.00	
2007107547		\$1,000.00	
2008040993		\$1,000.00	
2008061587		\$1,000.00	
2008061602		\$1,000.00	
2004121557RR		\$1,000.00	
2005032040RR		\$1,000.00	
2005042215RR		\$1,000.00	
2006103773RR		\$1,000.00	
DFT2008010112		\$1,000.00	
2006021476		\$1,000.00	
2006041992		\$1,000.00	
BDC2007035338R		\$947.00	
2007086862		\$943.61	
2008051486		\$875.95	
2006093596		\$866.00	
2007107423		\$841.00	
2008051470		\$838.00	
E162008041233	\$150,454.23	\$825.63	Paid \$150,454.23 to PSDR0012
2007035284		\$808.60	
2007128089		\$763.32	
2006114091		\$760.76	
2007055779		\$731.89	
2005011590RR	\$0.00	\$730.03	Claim GUARD0019 denied, no other claimant
200501671RR		\$666.09	
F012007024738		\$656.40	
2008030853		\$656.00	
2007076423		\$646.48	
2006042123		\$626.88	
2005100634		\$609.29	
2007107487R		\$608.47	
2004121503RR		\$580.89	
2007014505		\$575.00	
2005063009		\$570.36	
2007045596		\$570.00	
2006031776RR		\$551.65	
2005052734RRR		\$550.61	
2007076607		\$537.13	
2008051405	\$46,417.12	\$500.00	Paid 46,417.12 to PSDR0007
2005032050		\$500.00	
2005052566		\$500.00	
2005100646		\$500.00	
2006031834		\$500.00	
2006093464		\$500.00	
2007014590		\$500.00	
2007014596		\$500.00	
2007024912		\$500.00	
2007055727		\$500.00	

GF Number	Partial Payment Amount	Current Account Value	Comment
2007055909		\$500.00	
2007117634		\$500.00	
2008010065		\$500.00	
2008051341		\$500.00	
2008051500		\$500.00	
2004111389RR		\$500.00	
2005021929RR		\$500.00	
2005052557RR		\$500.00	
2005073160RR		\$500.00	
2006072895RR		\$500.00	
2006073011RR		\$500.00	
2006093551RR		\$500.00	
2007024890RRR		\$500.00	
2007055879R		\$500.00	
E162008020655		\$500.00	
2006052437		\$500.00	
2008020520		\$500.00	
2006103786		\$494.75	
2005073200RR		\$493.01	
SB2008041030		\$492.98	
2005042441RR		\$490.00	
2007066092		\$479.27	
2005080229RR		\$479.21	
2007086768R		\$477.39	
2005062763RR		\$477.15	
2006031830		\$473.00	
2007035055RRR		\$450.00	
DFT2008051409		\$448.45	
2008041262		\$441.36	
2007024894		\$439.29	
DFT2008051303		\$434.96	
2005062912RR		\$431.20	
SB2008010237		\$429.00	
2005042213RR		\$427.45	
SB2008020407		\$425.00	
SB2008051377		\$425.00	
NW2004061063		\$414.96	
2008030744		\$413.66	
T2004030809		\$410.00	
2008041001		\$408.72	
2005120930		\$408.50	
2008041012		\$400.29	
2007035214R		\$400.00	
2007107595		\$395.00	
2008010198		\$395.00	
2006021614RR		\$387.00	
2007097048		\$382.95	
2008051307	\$199.23	\$380.00	Paid \$199.23 to claim GUARD0005
2006042062RR		\$378.88	
BDC2007025007R		\$375.84	
2004050678C		\$375.00	

GF Number	Partial Payment Amount	Current Account Value	Comment
2004050693C		\$375.00	
2007076578		\$374.00	
2006093449		\$370.00	
2007076616		\$357.96	
DFT2008041170		\$355.00	
2007097068		\$352.00	
2006083306		\$345.83	
SB2008040971		\$331.41	
2006062653		\$325.24	
2006103716		\$325.00	
2007097282		\$325.00	
2006114105		\$323.25	
2006041982		\$320.00	
2007045455		\$320.00	
2006031724RR		\$313.29	
2007097228R		\$308.06	
2006042078		\$305.00	
SB2008010248		\$303.75	
2008051320		\$303.26	
2008041003R	\$833.08	\$302.86	Paid \$833.08 on PSDR0032
2007055797		\$300.00	
2008020309		\$300.00	
E022008010064R		\$295.00	
2006103660RR		\$289.94	
2008030755		\$289.45	
2006114049		\$288.00	
NW2004101214RR		\$285.00	
2005073067RR		\$276.00	
2005100564RR		\$273.78	
NW2004041034		\$269.36	
2007066256		\$269.25	
2007076459		\$269.15	
2005042475		\$263.38	
DFT2008041254		\$260.95	
2007107484		\$250.03	
2005052583		\$250.00	
2006021508RRR		\$250.00	
E042008051398		\$250.00	
2007055730		\$250.00	
2005032033RR		\$230.00	
2006062816		\$225.00	
2007014588		\$225.00	
DFT2008030777		\$225.00	
2008010264		\$223.00	
2007086815		\$220.59	
2007024901		\$216.97	
SB2008010238		\$214.21	
DFT2008010281		\$214.00	
2004080967		\$210.01	
2008041232		\$210.00	
2005090111		\$208.56	
2007066070		\$208.00	

GF Number	Partial Payment Amount	Current Account Value	Comment
2005110805RRR		\$204.53	
E162008030860		\$203.50	
2005042214		\$202.87	
2007045615		\$200.00	
2008051536		\$200.00	
2005032104RR		\$200.00	
2006062829RR		\$200.00	
2005042319		\$200.00	
2006052531		\$200.00	
DFT2008010297		\$200.00	
2007066295		\$195.00	
2004091085		\$179.03	
2007107304		\$178.10	
2006062813		\$175.00	
2007076645		\$175.00	
DFT2008010278		\$175.00	
2005110762		\$170.90	
E152008041157	\$886.00	\$170.70	Paid \$886.00 to PSDR0024
DFT2008041238		\$166.95	
2008051376		\$166.90	
2005052503RR		\$165.00	
2006041979		\$164.39	
DFT2008041277		\$159.55	
2006083299RR		\$156.50	
2008020398		\$155.82	
2007055853		\$152.00	
2005032115RR		\$150.00	
2004091065		\$150.00	
2006093609		\$150.00	
2007035146		\$150.00	
2007097070		\$150.00	
2008030698		\$150.00	
E022007086961		\$150.00	
2006114019		\$148.19	
2007045545		\$144.40	
SB2008030773		\$144.00	
T200402121RR		\$143.19	
2008020299		\$142.56	
2006124446		\$138.88	
2005110848		\$137.05	
2008030748		\$135.00	
2007025024R		\$135.00	
DFT2008051408		\$130.06	
2004050677C		\$130.00	
DFT2008051426	\$79,499.97	\$125.95	Paid \$79,499.97 on PSDR0016
2005052662RR		\$125.00	
2007076613RR		\$125.00	
2006011152		\$125.00	
2006031789		\$125.00	
2007055751		\$125.00	
2007086881		\$125.00	

GF Number	Partial Payment Amount	Current Account Value	Comment
2008020588		\$125.00	
2008061558		\$125.00	
2006052547R		\$123.44	
DFT2008018120		\$120.91	
2004040604RR		\$120.00	
2007127947		\$119.00	
DFT2008041169		\$112.00	
2008051304		\$111.95	
DFT2008051450		\$111.90	
2006124150		\$110.00	
2007045509		\$110.00	
2007086797		\$110.00	
2005073150		\$105.20	
2004050720		\$100.43	
2005080017		\$100.00	
2007055941		\$100.00	
2007107548		\$100.00	
2005062938RRR		\$100.00	
2007024852RRR		\$100.00	
2007055882R		\$100.00	
E022008041139		\$100.00	
2005021924		\$100.00	
2006011284		\$100.00	
2006093466		\$100.00	
2007035314		\$100.00	
2007066280		\$100.00	
2007097255		\$100.00	
2008020362		\$100.00	
2008020397		\$100.00	
2006093527		\$95.00	
2005052553RR		\$94.16	
T200404033RR		\$92.46	
2006031791RR		\$90.00	
2007076627R		\$90.00	
2005090071		\$86.20	
2006021515		\$85.00	
NW2004051053		\$85.00	
2006124188RR		\$79.75	
2007065962R		\$77.51	
DFT2008030932		\$76.00	
2005021758RR		\$75.64	
2004101170RR		\$75.00	
NW2004061059		\$75.00	
NW2004091162RR		\$75.00	
T200402241RR		\$75.00	
2005032009		\$75.00	
2006031795		\$75.00	
2006072986		\$75.00	
2006083218		\$75.00	
2007024931		\$75.00	
2006103763		\$73.40	
2006072931		\$70.95	

GF Number	Partial Payment Amount	Current Account Value	Comment
2006072962		\$70.95	
2006083115		\$70.95	
2006114015		\$70.95	
2006124299		\$70.95	
2007107476		\$70.95	
DFT2008041253		\$70.95	
DFT2008041267		\$70.95	
DFT2008051293		\$70.95	
DFT2008051402		\$70.95	
2007127958RR		\$70.76	
2007117813		\$70.49	
2008020353		\$70.00	
2008020486		\$70.00	
2006062617		\$69.71	
2005090119		\$68.46	
2008020355		\$65.00	
NW2004041009		\$65.00	
2008020555		\$64.05	
2006093618RR		\$62.27	
2005062917RR		\$60.00	
2006021560		\$60.00	
T200402061RR		\$57.00	
2007035295		\$56.73	
2007024964		\$56.48	
2007014610		\$55.03	
2005042424RR		\$55.00	
2004070851		\$55.00	
2005073089		\$55.00	
2007024995		\$55.00	
2007025029		\$55.00	
2007025039		\$55.00	
2007035072		\$55.00	
2008051313		\$55.00	
2008051413		\$55.00	
DFT2008051427		\$55.00	
F012007045422		\$55.00	
SB2007117627		\$55.00	
SB2008040984		\$55.00	
SB2008051310		\$55.00	
F012006103709		\$54.95	
T200403032RR		\$53.00	
2007055754		\$51.43	
2005042435RR		\$51.00	
2005011642RRR		\$50.31	
2006093487		\$50.00	
2005011617RR		\$50.00	
2006083303RR		\$50.00	
2004050719		\$50.00	
2004050658C		\$50.00	
2004050660C		\$50.00	
2004050662C		\$50.00	
2004050668C		\$50.00	

GF Number	Partial Payment Amount	Current Account Value	Comment
E112008020517		\$50.00	
E162008030736		\$50.00	
2005090281		\$49.18	
NW2004071093		\$48.93	
2005031983RRR		\$48.00	
2008041248		\$48.00	
NW2004101215RR		\$45.00	
2006062639		\$45.00	
2005011684RR		\$44.00	
2006011347		\$43.14	
2005062945		\$42.17	
SB2008030776		\$42.08	
2005042372		\$41.00	
2006062730		\$41.00	
2007035113R		\$40.00	
DFT2008041263		\$39.39	
2004111317RR		\$39.08	
2007127960		\$36.64	
2005120938		\$35.44	
2007117751R		\$35.02	
2006062675		\$34.79	
2004030561RR		\$31.10	
2006103802		\$30.00	
2005090031		\$30.00	
2006072909		\$30.00	
2006103840		\$30.00	
2007086906		\$30.00	
2008051343		\$30.00	
2008020387		\$29.35	
2004080966		\$29.16	
2006083181		\$29.14	
2007107437		\$29.00	
2006072892		\$28.04	
2007014577		\$27.97	
2006073048RR		\$26.27	
2006073066		\$25.00	
2006083322RR		\$25.00	
2006031682		\$25.00	
2006031839		\$25.00	
2006093516		\$25.00	
2007055895		\$25.00	
DFT2008041093		\$24.00	
2004080996		\$23.45	
E162008030743		\$23.34	
NW2004101183RR		\$21.15	
2008041239		\$21.00	
DFT2008030764		\$21.00	
2004091088		\$20.97	
2004091101		\$20.00	
2006031958		\$20.00	
2007045490		\$20.00	
2007076323		\$20.00	

GF Number	Partial Payment Amount	Current Account Value	Comment
2007107354		\$20.00	
E022008010277		\$19.80	
2008010276		\$19.57	
2006011145		\$19.00	
2005042404RR		\$18.94	
2007107344		\$18.49	
2007066232		\$17.04	
2006083199RR		\$16.00	
2006052265		\$16.00	
2006093536		\$16.00	
NW2004051003A		\$15.99	
2007107490		\$15.38	
2008030742		\$15.00	
2004040601C		\$15.00	
2006083158		\$15.00	
2006062714RR		\$14.82	
2007035094R		\$14.78	
2005021818RR		\$13.04	
2008030689		\$12.15	
2006093452RR		\$12.00	
BDC2007066281		\$12.00	
2006103787		\$11.08	
2006083123		\$10.92	
2005062998		\$10.71	
2005021841RR		\$10.50	
E152008041100		\$10.20	
F012007035307		\$10.08	
2006114126		\$10.00	
2007045570		\$10.00	
2007055788		\$10.00	
2007055802		\$10.00	
2007127899		\$10.00	
2008020481		\$10.00	
2005042337RR		\$10.00	
2005121076		\$10.00	
2006031676		\$10.00	
SB2008030813		\$9.09	
E022007055812		\$8.75	
2006083164		\$8.69	
2008020473		\$8.00	
2008020644		\$8.00	
DFT2008030677		\$8.00	
DFT2008030831		\$8.00	
2008010022		\$7.07	
2006052264		\$5.19	
T200403051		\$5.10	
2007127935		\$5.01	
2006062619		\$5.00	
2006113961		\$5.00	
2008041116		\$4.68	
2004010390RR		\$4.33	
2007014486RR		\$4.15	

GF Number	Partial Payment Amount	Current Account Value	Comment
2008010040		\$4.00	
2008030753		\$4.00	
2007076605R		\$4.00	
2007055648		\$3.75	
2006062679		\$3.67	
2005052607RR		\$3.04	
2006021598		\$3.00	
2005021896RR		\$2.12	
2006052423RR		\$2.00	
2005021913		\$2.00	
2007107320		\$2.00	
2007055690		\$1.98	
2007097080		\$1.94	
2006114104		\$1.32	
2006021486RR		\$1.25	
NW2004041004		\$1.09	
2007097088		\$1.02	
2005090289RR		\$1.00	
2005090290RR		\$1.00	
2005080217		\$1.00	
2005090257		\$1.00	
2005100138		\$1.00	
2006062584		\$1.00	
2006072913		\$1.00	
2006093390		\$1.00	
2007045367		\$1.00	
2008010139		\$1.00	
2008020313R		\$0.96	
2006114123		\$0.93	
2007066042		\$0.93	
2005011635RR		\$0.80	
2004070926		\$0.75	
2008020506		\$0.75	
2005090112		\$0.63	
2003110267RR		\$0.60	
2005031999RR		\$0.60	
NW2004041018		\$0.60	
2006031831		\$0.59	
2006062678R		\$0.55	
F022007076401		\$0.55	
2004070846		\$0.55	
2007035177R		\$0.54	
2006031884		\$0.50	
2006052461		\$0.50	
2006093585		\$0.45	
2006114001		\$0.45	
2007076519		\$0.43	
2006052337		\$0.40	
2006021640		\$0.39	
2006103723		\$0.39	
2007035309RRR		\$0.36	
2006031844RR		\$0.35	

GF Number	Partial Payment Amount	Current Account Value	Comment
2006062799RR		\$0.31	
2005110812		\$0.30	
2006124159		\$0.30	
2008041029		\$0.30	
2008020406		\$0.25	
2007014591		\$0.23	
2007107302R		\$0.23	
2005073102		\$0.22	
2006062681		\$0.22	
2005052691RR		\$0.20	
2005110727RR		\$0.20	
2007066125		\$0.18	
2007055893R		\$0.10	
2006011220		\$0.10	
2006113922		\$0.10	
NW2004061077		\$0.09	
2007045601		\$0.07	
2007086980		\$0.06	
2008030695R		\$0.06	
2005080182		\$0.05	
2006103693		\$0.05	
E022007107394		\$0.05	
2005080220ARRR		\$0.04	
2005052508		\$0.04	
2004111281RR		\$0.02	
2006011265		\$0.02	
2006052453		\$0.02	
2005073096RR		\$0.01	
2005090054RR		\$0.01	
2006011172RR		\$0.01	
2005080202		\$0.01	
2005100562		\$0.01	
2006041973		\$0.01	
2006072852		\$0.01	
2007055906		\$0.01	
2007035220RR		\$0.01	
		\$224,296.29	

**R-540 Guardian Fidelity Title Company, Ltd., et al., in Receivership
Estimated Closing Budget**

EXHIBIT 6

	<u>Estimated Expenses</u>
Estimated SDR Fees	
Administration, Accounting, & Claims	59,595.00
Expenses and Record Shipping	<u>524.37</u>
Total SDR Fees	60,119.37
Estimated Subcontractor Fees & Expenses	
Legal	21,324.08
Records Storage	6,615.60
Records Disposal	823.00
Tax Returns	<u>31,451.14</u>
Total Subcontractor Fees & Expenses	60,213.82
Estimated TDI Fees	
TSL Records Storage	1,572.00
Liquidation Oversight	<u>24,692.63</u>
Total TDI Fees	26,264.63
 Grand Total of All Expenses	 <u><u>146,597.82</u></u>

Guardian Pre-SDR Appointment Escrow Account Distribution Schedule

POC Number	Claimant Name	GF Number	POC Amount	Account Balance	Action Taken	Payment Amount	Payment Date	Notes
				per ledger on 07/11/08				
PAID PRE-SDR CLOSING TRANSACTIONS								
PSDR0001	Ray Hooker	2008061575	\$500.00	\$500.00	Paid	\$500.00	07/31/08	Check
PSDR0002	Carlisle Homes	SB2008041015	\$500.00	\$500.00	Paid	\$500.00	07/31/08	Check
PSDR0003	Shun Tai Chan	2008040974	\$60,000.00	\$60,000.00	Paid	\$60,000.00	07/31/08	Check
PSDR0004	Orlean Smith	2008051374	\$500.00	\$500.00	Paid	\$500.00	07/31/08	Check
PSDR0005	Allstate Insurance Co.	2008051324	\$805.11	\$805.11	Paid	\$805.11	07/31/08	Check
PSDR0006	Franklin Bank	SB2008010103	\$120,890.83	\$120,890.83	Paid	\$120,890.83	07/31/08	Check
PSDR0007	Washington Mutual	2008051405	\$46,417.12	\$46,417.12	Paid	\$46,417.12	07/31/08	Wire transfer
PSDR0008	Universal Land Title	2008061566	\$2,000.00	\$2,000.00	Paid	\$2,000.00	07/31/08	Wire transfer
PSDR0009	Prosperity Bank	2008051384	\$50,000.00	\$50,000.00	Paid	\$50,000.00	07/31/08	Wire transfer
PSDR0010	Terry Taylor	2008051513	\$561.00	\$561.00	Paid	\$561.00	08/07/08	Check
PSDR0011	Terry Taylor	2008051513	\$339.00	\$339.00	Paid	\$339.00	08/07/08	Check
PSDR0012	Taylor Bean & Whitaker's Bank	2008041233	\$150,454.23	\$150,454.23	Paid	\$150,454.23	08/07/08	Wire transfer
PSDR0013	StarTex Title Company	2008061588	\$1,000.00	\$1,000.00	Paid	\$1,000.00	08/15/08	Check
PSDR0014	Fanny Wu	2008041021	\$1,000.00	\$1,000.00	Paid	\$1,000.00	08/15/08	Check
PSDR0015	Liz Carter & Team Realtor	2008051530	\$500.00	\$500.00	Paid	\$500.00	08/15/08	Check
PSDR0016	Chase Home Finance	2008051426	\$79,499.97	\$79,499.97	Paid	\$79,499.97	08/15/08	Wire transfer
PSDR0017	Ft. Bend Habitat for Humanity	2008061626	\$800.00	\$800.00	Paid	\$800.00	08/21/08	Check
PSDR0018	Ft. Bend Habitat for Humanity	2008061635	\$1,100.00	\$1,000.00	Paid	\$1,100.00	08/21/08	Check
PSDR0019	GKB Realty Investments, Ltd.	2008061634	\$2,500.00	\$2,500.00	Paid	\$2,500.00	08/21/08	Check
PSDR0020	William L. and Vicki H. Barber	2008061627	\$5,000.00	\$5,000.00	Paid	\$5,000.00	08/21/08	Check
PSDR0021	The Commercial Group c/o Timothy Broussard	2007107409	\$8,850.00	\$8,850.00	Paid	\$8,850.00	08/21/08	Check
PSDR0022	Alamo Title Company	2008051473	\$50,000.00	\$50,000.00	Paid	\$50,000.00	08/21/08	Check
PSDR0023	Sonia & Danny Rodriguez	2008051389	\$500.00	\$500.00	Paid	\$500.00	08/21/08	Check
PSDR0024	Florence Brown	2008041157	\$886.00	\$886.00	Paid	\$886.00	08/21/08	Check
PSDR0025	Ricky Peterson	2008051424	\$2,000.00	\$2,000.00	Paid	\$2,000.00	08/21/08	Check
PSDR0026	Aldine ISD	2008051312	\$1,940.76	\$1,940.76	Paid	\$1,940.76	08/21/08	Check
PSDR0027	Aldine ISD	2008051312	\$1,439.33	\$1,439.33	Paid	\$1,439.33	08/21/08	Check
PSDR0028	Brown, Fowler & Alsup	2008051312	\$100.00	\$100.00	Paid	\$100.00	08/21/08	Check
PSDR0029	Sanjay Patel	2008151286INT	\$25,044.91	\$25,044.91	Paid	\$25,044.91	08/21/08	Check
PSDR0030	CLC Condominium Owners Association	2007128005R	\$104.80	\$104.80	Paid	\$104.80	08/21/08	Check
PSDR0031	Jason Ward	2008051492	\$1,000.00	\$1,000.00	Paid	\$1,000.00	08/29/08	Check
PSDR0032	Harris County MUD No. 5	2008041003R	\$833.08	\$833.08	Paid	\$833.08	08/29/08	Check
PSDR0033	Rita Flores & Glen H. Rodriguez	2008040996	\$500.00	\$500.00	Paid	\$500.00	08/29/08	Check
PSDR0034	Brandon & Stephanie Burdine	2008040990	\$1,000.00	\$1,000.00	Paid	\$1,000.00	09/05/08	Check
PSDR0035	Liberty Mutual Flood	2008051355	\$1,013.00	\$1,013.00	Paid	\$1,013.00	09/05/08	Check
PSDR0036	Webster-Magnolia One, LP	2008030955	\$19,900.00	\$19,900.00	Paid	\$19,900.00	09/05/08	Check
PSDR0037	Academy Ltd.	2008030955	\$100.00	\$100.00	Paid	\$100.00	09/05/08	Check
PSDR0038	Houston Police Federal Credit Union	2008051535	\$1,642.30	\$1,642.30	Paid	\$1,642.30	09/05/08	Check
PSDR0039	Robert McGrath	2008030861	\$500.00	\$500.00	Paid	\$500.00	09/26/08	Check
PSDR0040	Sergio Jimenez	2008010284	\$1,000.00	\$1,000.00	Paid	\$1,000.00	09/26/08	Check
PSDR0041	Juan Martinez	2008041034	\$500.00	\$500.00	Paid	\$500.00	09/26/08	Check
PSDR0042	Wells Fargo Home Mortgage	2008030705	\$692.00	\$692.00	Paid	\$692.00	10/03/08	Check
						\$643,913.44		

Guardian Schedule of Filed Proofs of Claim

POC Number	Claimant Name	GF Number	POC Amount	Account Balance per ledger on 07/11/08	Deficiency (surplus)	Claims Report		Action Taken	Payment Amount	Payment Date	Notes
						1, 2, 3, & 4; Crt	Order date; or F- closing app.				
CLAMS APPROVED AND PAID IN FULL											
GUARD0014	Survey 1, Inc.	E022007107337	\$378.88	\$378.88	\$0.00	1		Approved	\$378.88	06/10/10	Ck # 1030
GUARD0018	Larry and Stella Vasquez	F022008051535	\$1,642.30	\$1,642.30	\$0.00	1		Approved	\$1,642.30	06/10/10	Ck # 1031
GUARD0023	Omar Moran	2008061573	\$500.00	\$500.00	\$0.00	2		Approved	\$500.00	08/31/10	Ck # 1069
GUARD0031	Patrick Harrington	2006124445	\$1,533.06	\$1,533.06	\$0.00	2		Approved	\$1,533.06	08/31/10	Ck # 1070
GUARD0032	Rose Bennett	2007024970RRR	\$500.00	\$500.00	\$0.00	1		Approved	\$500.00	06/10/10	Ck # 1032
GUARD0035	John Eppright	T200402112RR	\$2,306.28	\$2,306.28	\$0.00	1		Approved	\$2,306.28	06/10/10	Ck # 1033
GUARD0037	Melinda E. Frazee	2007035157RRR	\$500.00	\$500.00	\$0.00	1		Approved	\$500.00	06/10/10	Ck # 1034
GUARD0040	Lazaro Hernandez	2008010192	\$200.00	\$200.00	\$0.00	1		Approved	\$200.00	06/10/10	Ck # 1035
GUARD0042	Laurie Roth	2007055923R	\$154.37	\$154.37	\$0.00	3		Approved	\$154.37	03/07/11	Ck # 1077
GUARD0043	Integrity Interior and Exterior, Inc.	2008030924	\$500.00	\$500.00	\$0.00	1		Approved	\$500.00	06/10/10	Ck # 1036
GUARD0045	JORYCO, LLC	2007076329R	\$1,000.00	\$1,000.00	\$0.00	3		Approved	\$1,000.00	03/07/11	Ck # 1078
GUARD0051	John and Mary Hart	2005021933RR	\$266.24	\$266.24	\$0.00	1		Approved	\$266.24	06/10/10	Ck # 1037
GUARD0052	Wanda Johnson	2007065974	\$500.00	\$500.00	\$0.00	1		Approved	\$500.00	06/10/10	Ck # 1038
GUARD0058	Lewis, Lazenberry and Hurst, LLC	2008020501	\$25,000.00	\$25,000.00	\$0.00	1		Approved	\$25,000.00	06/10/10	Ck # 1039
GUARD0061	Joann LaCognata	2006031853RR	\$500.00	\$500.00	\$0.00	1		Approved	\$500.00	06/11/10	Ck # 1058
GUARD0067	Steven Ginsberg	2006072841	\$1,000.00	\$1,000.00	\$0.00	3		Approved	\$1,000.00	03/04/11	Ck # 1079
GUARD0069	Spencer G. Markle	2008061570	\$1,000.00	\$1,000.00	\$0.00	1		Approved	\$1,000.00	06/11/10	Ck # 1040
GUARD0070	Alfonso Maldonado	2008030752	\$500.00	\$500.00	\$0.00	1		Approved	\$500.00	06/11/10	Ck # 1041
GUARD0072	Dorene Callaway	2006031678	\$1,000.00	\$1,000.00	\$0.00	3		Approved	\$1,000.00	03/04/11	Ck # 1080
GUARD0073	Superior Street Partners, LLC	2007076615	\$10,000.00	\$10,000.00	\$0.00	1		Approved	\$10,000.00	06/11/10	Ck # 1073
GUARD0074	Superior Street Partners, LLC	2007076612	\$10,000.00	\$10,000.00	\$0.00	1		Approved	\$10,000.00	06/11/10	Ck # 1053
GUARD0076	Natasha Weary	2007117732	\$500.00	\$500.00	\$0.00	4		Approved	\$500.00	04/21/11	Ck # 1088
GUARD0077	Oceanious Brooks	BDC2007024826	\$500.00	\$500.00	\$0.00	1		Approved	\$500.00	06/11/10	Ck # 1042
GUARD0078	Elisa Gutierrez	2008030815	\$500.00	\$500.00	\$0.00	1		Approved	\$500.00	06/11/10	Ck # 1043
GUARD0079	Clint Powell	2008051430	\$350.00	\$350.00	\$0.00	1		Approved	\$350.00	06/11/10	Ck # 1044
GUARD0080	Gary Becker	2006021396RR	\$100.00	\$100.00	\$0.00	3		Approved	\$100.00	03/07/11	Ck # 1081
GUARD0082	Michael Brett Butler or Lisa Butler	DFT2008051452	\$1,000.00	\$1,000.00	\$0.00	1		Approved	\$1,000.00	06/11/10	Ck # 1045
GUARD0085	Grand Parkway Katy Village, L.P. & DBSI Discovery Real Estate Services, L.L.C.	2006114079	\$205,627.06	\$206,547.31	(\$920.25)	1		Approved	\$205,627.06	06/11/10	Wire transfer
GUARD0088	Elite Investments Trust, Smitherman, Trustee	E032007097238	all funds	\$1,013.96	\$0.00	4		Approved	\$1,013.96	04/21/11	Ck # 1089
GUARD0090	Alan Church	DFT2008061555	\$1,000.00	\$1,000.00	\$0.00	1		Approved	\$1,000.00	06/11/10	Ck # 1046
GUARD0093	Fatolla Shahen	2008010214	\$1,000.00	\$1,000.00	\$0.00	1		Approved	\$1,000.00	06/11/10	Ck # 1064
GUARD0094	RE/MAX Professional Group	2008041249	\$4,170.00	\$4,170.00	\$0.00	1		Approved	\$4,170.00	06/11/10	Ck # 1050
GUARD0096	Charles K. Dean	2008030787	\$1,250.00	\$1,250.00	\$0.00	1		Approved	\$1,250.00	06/11/10	Ck # 1051
GUARD0102	Carlos J. Armendariz	DFT2008061544	\$1,000.00	\$1,000.00	\$0.00	1		Approved	\$1,000.00	06/11/10	Ck # 1047
GUARD0103	Neil Patel, Trustee	F022007086894INT	\$75,000.00	\$69,596.44	\$5,403.56	3		Approved / Settlement	\$69,596.44	06/24/10	Wire. See GUARD0141
GUARD0104	Francisco J. Gonzalez	2005032187	\$2,400.00	\$2,400.00	\$0.00	1		Approved	\$2,400.00	06/11/10	Ck # 1054
GUARD0107	Greg Sanders / Trestleboard	E032007128053	\$2,000.00	\$2,000.00	\$0.00	1		Approved	\$2,000.00	06/11/10	Ck # 1065
GUARD0108	Greg Sanders / Trestleboard	E032007128052	\$500.00	\$500.00	\$0.00	1		Approved	\$500.00	06/11/10	Ck # 1066
GUARD0111	Forest Financial Services, Ltd.	F022007128039	\$12,000.00	\$12,000.00	\$0.00	1		Approved	\$12,000.00	06/11/10	Ck # 1055
GUARD0114	Alpha Tech International, Inc.	F022007076499	\$2,000.00	\$2,000.00	\$0.00	1		Approved	\$2,000.00	06/11/10	Ck # 1056
GUARD0118	Eula M. English	2008061617R	\$500.00	\$500.00	\$0.00	3		Approved	\$500.00	03/04/11	Ck # 1082
GUARD0123	Scott Goldstein	2007107460	\$10,941.24	\$10,941.24	\$0.00	1		Approved	\$10,941.24	06/11/10	Ck # 1057
GUARD0126	Robert S. Ewell, Jr.	2007117608	\$1,000.00	\$1,000.00	\$0.00	1		Approved	\$1,000.00	06/11/10	Ck # 1059
GUARD0131	Theodore Roberts	2004121517R	\$153.29	\$153.29	\$0.00	1		Approved	\$153.29	06/11/10	Ck # 1060
GUARD0132	Rodney Ham	2008051345	\$1,000.00	\$1,000.00	\$0.00	4		Approved	\$1,000.00	04/21/11	Ck # 1090
GUARD0137	Anthony R. Rembowski	2006124171RR	\$500.00	\$500.00	\$0.00	1		Approved	\$500.00	06/11/10	Ck # 1061
GUARD0139	Jeanne A. Paz, MD / Maria Patron	2008061620	\$1,500.00	\$1,500.00	\$0.00	1		Approved	\$1,500.00	06/11/10	Ck # 1062

POC Number	Claimant Name	GF Number	POC Amount	Account Balance per ledger on 07/11/08	Deficiency (surplus)	Claims Report		Action Taken	Payment Amount	Payment Date	Notes
						1, 2, 3, & 4; Crt Order date; or F- closing app.					
GUARD0142	Joe C. Sanchez / Lupe L. Sanchez	2006062657	\$1,000.00	\$1,000.00	\$0.00	1		Approved	\$1,000.00	08/31/10	Ck # 1067 to Lupe Kalich (husband Joe deceased)
GUARD0143	Olga Calidonio	2008051504	\$14,051.45	\$14,051.45	\$0.00	1		Approved	\$14,051.45	06/14/10	Ck # 1063
GUARD0159	William S. & Suzin K. Lucas	2008041145	\$200.00	\$200.00	\$0.00	3		Approved	\$200.00	03/04/11	Ck # 1083
GUARD0160	Ken Christie	200707660R	\$6,481.27	\$6,481.27	\$0.00	3		Approved	\$6,481.27	03/04/11	Ck # 1084
GUARD0162	Midtown Park Development, Ltd.	2006011252RR	\$5,000.00	\$5,000.00	\$0.00	4		Approved on appeal	\$5,000.00	04/21/11	Ck # 1091
CLAMS APPROVED AND NOT PAID											
GUARD0165	Jason Allen	2008020595	\$1,000.00	\$1,000.00	\$0.00	F		Approved	\$1,000.00	unpaid	
GUARD0166	John Platis	2008020505	\$10,000.00	\$10,000.00	\$0.00	F		Approved	\$10,000.00	unpaid	
CLAIMS APPROVED IN PART AND PAID IN PART											
GUARD0005	Candlewood Homes, Inc.	2008051307	\$324.23	\$0.00	\$324.23	3		Approved in Part	\$199.23	03/04/11	Ck # 1085
GUARD0013	Terry E. Carter	2008010265	\$2,500.00	\$2,500.00	\$0.00	2		Approved in Part	\$2,500.00	08/31/10	Ck # 1068
GUARD0016	Residential Construction Associates, Ltd.	2008041168	\$500.00	\$100.00	\$400.00	4		Approved in Part	\$100.00	04/21/11	Ck # 1092
GUARD0027	Michael H. and Theresa H. Worsham	2008030949	\$3,272.00	\$3,000.00	\$272.00	2		Approved in Part	\$3,000.00	08/31/10	Ck # 1073
GUARD0041	Kathy D. Henry	2007086856	\$500.00	\$500.00	\$0.00	3		Approved in Part	\$250.00	03/07/11	Ck # 1086
GUARD0046	JORYCO, LLC	2007076334R	\$1,000.00	\$500.00	\$0.00	4		Approved in Part	\$500.00	04/21/11	Ck # 1093
GUARD0047	JORYCO, LLC	2007076332R	\$1,000.00	\$500.00	\$0.00	4		Approved in Part	\$500.00	04/21/11	Ck # 1094
GUARD0048	JORYCO, LLC	2007076336R	\$1,000.00	\$500.00	\$0.00	4		Approved in Part	\$500.00	04/21/11	Ck # 1095
GUARD0049	JORYCO, LLC	2007076326R	\$1,000.00	\$500.00	\$0.00	4		Approved in Part	\$500.00	04/21/11	Ck # 1096
GUARD0050	JORYCO, LLC	2007076328R	\$1,000.00	\$500.00	\$0.00	4		Approved in Part	\$500.00	04/21/11	Ck # 1097
GUARD0063	Terry Collins	2007076336R	\$1,000.00	\$500.00	\$0.00	4		Approved in Part	\$500.00	04/21/11	Ck # 1098
GUARD0064	Terry Collins	2007076328R	\$1,000.00	\$500.00	\$0.00	4		Approved in Part	\$500.00	04/21/11	Ck # 1099
GUARD0065	Terry Collins	2007076332R	\$1,000.00	\$500.00	\$0.00	4		Approved in Part	\$500.00	04/21/11	Ck # 1100
GUARD0066	Terry Collins	2007076334R	\$1,000.00	\$500.00	\$0.00	4		Approved in Part	\$500.00	04/21/11	Ck # 1101
GUARD0068	Terry Collins	2007076326R	\$1,000.00	\$500.00	\$0.00	4		Approved in Part	\$500.00	04/21/11	Ck # 1102
GUARD0084	Perla Medrano Gallegos	2007086856	\$500.00	\$500.00	\$0.00	3		Approved in Part	\$250.00	03/04/11	Ck # 1087
GUARD0087	Larry Corona and Marsha Corona	2008041168	\$500.00	\$400.00	\$100.00	4		Approved in Part	\$400.00	04/21/11	Ck # 1103
GUARD0101	Martha E. Salomone	2008020564	\$28,874.68	\$26,480.00	\$2,394.68	2		Approved in Part	\$26,480.00	08/31/10	Ck # 1074
GUARD0136	Christopher Perot	2008010265	\$2,500.00	\$2,500.00	\$0.00	2		Approved in Part	\$2,500.00	08/31/10	Ck # 1071
GUARD0158	Earline J. Kissam	2007107334	\$500.00	\$500.00	\$0.00	2		Approved in Part	\$500.00	08/31/10	Ck # 1072
CLAIMS INTERPLEADED INTO COURT											
GUARD0116	DBSI Park Plaza Retail Center LLC	2006114081	\$97,651.00	\$114,677.09	(\$17,026.09)	2/3/2011		Interpleaded	\$111,377.09	02/08/11	Ck # 1075 to District Court; See also GUARD0125 & GUARD0128
GUARD0125	Grand Parkway Katy Village, L.P.	2006114081	\$114,677.09	\$114,677.09	\$0.00	2/3/2011		Interpleaded		02/08/11	See GUARD0116 & GUARD0128
GUARD0128	Tenant-in-common Owners of Park Plaza Retail Center (see list of 25 claimants)	2006114081	\$266,067.44	\$114,677.09	\$151,390.35	2/3/2011		Interpleaded	\$3,300.00	02/08/11	Ck # 1076 to Guardian for expenses per Court award - see also GUARD0116 & GUARD0125
CLAIMS DENIED AS ESCROW CLAIMS AND REMAINDER CLASSIFIED WITH BELOW CLASS 1 PRIORITY											
GUARD0004	Distinct Stone, Inc.	Not a Guardian GF #	\$1,500.00					3			Denied R < Class 1
GUARD0019	JLE Investors, Inc. dba Assoc. Mtg. Investors	2005011590RR	\$730.03	\$730.03	\$0.00			3			Denied R < Class 1
GUARD0071	Precision Surveying	F022008030930	\$378.88	\$0.00	\$378.88			3			Denied R < Class 1
GUARD0081	Marquitta Patterson	2006072962	\$47,321.00	\$0.00	\$47,321.00			3			Denied R < Class 1
GUARD0083	Ginny Cheek	E162008030919		\$0.00	\$0.00			3			Denied R < Class 1
GUARD0091	Diana Sanchez	2008041001	\$105,000.00	\$0.00	\$105,000.00			3			Denied R < Class 1
GUARD0092	Richard Sanchez or Diana Sanchez	2005042475	\$100.00	\$0.00	\$100.00			3			Denied R < Class 1

POC Number	Claimant Name	GF Number	POC Amount	Account Balance per ledger on 07/11/08	Deficiency (surplus)	Claims Report		Action Taken	Payment Amount	Payment Date	Notes
						1, 2, 3, & 4; Crt Order date; or F- closing app.					
GUARD0106	Greg Sanders	E032007128054	\$2,500.00	\$0.00	\$2,500.00	3		Denied R < Class 1			
GUARD0130	Commonwealth Land Title Ins.Co.	Not Provided	\$5,978.00			4		Denied R < Class 1			
GUARD0134	RDM Real Estate & Construction, Inc.	2007107487R	\$25,000.00	\$0.00	\$25,000.00	4		Denied R < Class 1			
GUARD0146	Paul Lawson	2005100133	\$140,000.00	\$0.00	\$140,000.00	12/6/2010		Denied R < Class 1			Court Order
GUARD0148	J.C. Investment Unlimited	2005100131	\$960,000.00	\$0.00	\$960,000.00	12/6/2010		Denied R < Class 1			Court Order
GUARD0149	J.C. Investment Unlimited	2005100133	\$140,000.00	\$0.00	\$140,000.00	12/6/2010		Denied R < Class 1			Court Order
GUARD0155	Southern Title Insurance		\$339,738.21			3		Denied R < Class 1			
GUARD0157	Southern title Insurance Corporation	2005042475	\$183,809.49	\$0.00		3		Denied R < Class 1			
GUARD0161	Billy and Tiffany Briscoe	E032007128052	\$500.00		\$500.00	4		Denied R < Class 1			
GUARD0163	Horizon Limited d/b/a Paul T. Young		\$7,000.00			3		Denied R < Class 1			
CLAIMS DENIED IN TOTAL											
GUARD0003	Candlewood Homes, Inc.	2008041224	\$703.63	\$0.00	\$703.63	3		Denied			
GUARD0008	Candlewood Homes, Inc.	2008010181	\$703.63	\$0.00	\$703.63	3		Denied			
GUARD0009	Candlewood Homes, Inc.	2007097052	\$703.63	\$0.00	\$703.63	3		Denied			
GUARD0010	Jesus Mario Gonzalez	2007127927	\$1,010.76	\$0.00	\$1,010.76	3		Denied			
GUARD0028	Thomas O. Rice, Sr.	F022008061634	\$2,500.00	\$2,500.00	\$0.00	3		Denied			
GUARD0034	Candlewood Homes, Inc.	2007107304	\$811.88	\$0.00	\$811.88	3		Denied			
GUARD0036	Michael and Ann Seitz	2006124301RRR	\$2,200.00	\$2,200.00	\$0.00	4		Denied			
GUARD0055	Peter Joseph and Celia Jo Kelleher	2007055923R	\$154.37	\$0.00	\$154.37	4		Denied			
GUARD0060	Ping-Chou and Violet Chen	2008061566	\$2,000.00	\$2,000.00	\$0.00	3		Denied			
GUARD0062	Jovita T. Wallace	2007117732	\$500.00	\$500.00	\$0.00	3		Denied			
GUARD0086	Stanwyn, Inc.	2008051345	\$1,000.00	\$1,000.00	\$0.00	4		Denied			
GUARD0099	Henry M. Arbuckle, Jr.	2008061617R	\$500.00			3		Denied			
GUARD0100	Sarah Arbuckle	2008061617R	\$500.00			3		Denied			
GUARD0112	Kristen Metcalf	2006021605	\$5,475.00	\$0.00	\$5,475.00	3		Denied			
GUARD0113	CCLLW, LLC	2007107409	\$8,850.00	\$8,850.00	\$0.00	2		Denied			
GUARD0141	Sydonia Holub	F022007086894INT	\$68,000.00	\$69,596.44	(\$1,596.44)	3		Denied / Settlement			See GUARD0103
GUARD0164	Survey 1, Inc.	2008118313	\$703.63			3		Denied			
GUARD0002	Katherine M. D'Abbraccio	2005062929	\$450,000.00			5/20/2010		Declared Moot			Court Order
GUARD0147	Paul Lawson / Bettye Lawson	2005062929	\$450,000.00	\$0.00	\$450,000.00	5/20/2010		Declared Moot			Court Order
CLAIM WITHDRAWN											
GUARD0115	TTIGA	GC	\$4,052.00	\$0.00	\$4,052.00	4		Withdrawn			
CLAIM DETERMINED TO BE DUPLICATE											
GUARD0124	Grand Parkway Katy Village, L.P. & DBSI Discovery Real Estate Services, L.L.C.	2006114079	\$205,627.06	\$206,547.31	(\$920.25)	3		Duplicate Claim			See GUARD0085
NON-ESCROW CLAIMS WITH BELOW CLASS 1 PRIORITY											
GUARD0001	San Antonio Express News	GC	\$920.79			2		< Class 1			
GUARD0006	ABC Pest, Pool & Lawn Services	50007	\$108.25			2		< Class 1			
GUARD0007	Prosperity Bank	GC	\$796,348.16			2		< Class 1			
GUARD0011	Texas Workforce Commission	GC	\$3,137.06			2		< Class 1			
GUARD0012	Tracy K. DeBlanc	GC	\$2,050.00			2		< Class 1			
GUARD0015	Survey 1, Inc.	GC	\$36,890.02			2		< Class 1			
GUARD0017	Judy J. Pizzitola	GC	\$4,262.50			2		< Class 1			
GUARD0020	Haley Amador	GC	\$684.86			2		< Class 1			
GUARD0021	Karma Lee Gronwold	GC	\$1,720.38			2		< Class 1			
GUARD0022	Mark J. Hanna, Attorney at Law	GC	\$8,853.54			2		< Class 1			
GUARD0024	Deborah Lynette Wood	GC	\$1,424.00			2		< Class 1			
GUARD0025	Dorene Callaway	GC	\$3,500.00			2		< Class 1			
GUARD0026	Melody Potter	GC	\$2,250.00			2		< Class 1			

Claims Report											
POC Number	Claimant Name	GF Number	POC Amount	Account Balance per ledger on 07/11/08	Deficiency (surplus)	1, 2, 3, & 4; Crt Order date; or F- closing app.	Action Taken	Payment Amount	Payment Date	Notes	
GUARD0029	Robert M. Kelly	GC	\$10,500.00			2	< Class 1				
GUARD0030	Maria Eliza Garza	GC	\$7,516.23			2	< Class 1				
GUARD0033	Houston Express, Inc.	GC	\$11,716.16			2	< Class 1				
GUARD0038	Jaime Pica dba Pica's Custom Cabinets	GC	\$12,800.00			2	< Class 1				
GUARD0039	Houston Chronicle	GC	\$1,331.09			2	< Class 1				
GUARD0044	Regina L. Grice	GC	\$1,853.33			2	< Class 1				
GUARD0053	Myra Weideman	GC	\$779.00			2	< Class 1				
GUARD0054	Amegy Bank, N.A.	GC	\$1,571,924.12			2	< Class 1				
GUARD0056	Cheryl Lynn Winters	GC	\$4,209.94			2	< Class 1				
GUARD0057	Cheryl Winters	GC	\$4,209.94			2	< Class 1				
GUARD0059	Scott Youngblood, CPA, Attorney at Law	GC	\$3,250.00			2	< Class 1				
GUARD0075	AmeriDream, Inc.	GC	\$1,548.27			2	< Class 1				
GUARD0089	Santa Fe Brokerage Associates, LLC	2006093537 (?)	\$172,000.00			2	< Class 1				
GUARD0095	Hally A. Holzworth	GC	\$1,440.00			2	< Class 1				
GUARD0097	Christna Marie Doll	GC	\$3,063.12			2	< Class 1				
GUARD0098	Linda G. Van Bebber	2008051307	\$5,804.04	\$0.00	\$5,804.04	2	< Class 1				
GUARD0105	Clear Channel Broadcasting, Inc.	GC	\$11,414.74			2	< Class 1				
GUARD0109	Erika G. Ayala	GC	\$5,019.87			2	< Class 1				
GUARD0110	9316 Louetta, LLC as assignee of SGH #1, Ltd	GC	\$198,365.66			2	< Class 1				
GUARD0117	Cynthia Bartholomew	GC	\$6,582.66			2	< Class 1				
GUARD0119	Harris County	GC	\$2,223.12			2	< Class 1				
GUARD0120	Katy ISD	GC	\$379.24			2	< Class 1				
GUARD0121	Heritage Erectors Development, Inc.	GC	\$193,985.62			2	< Class 1				
GUARD0122	Lisa G. Fortune	GC	\$2,000.00			2	< Class 1				
GUARD0127	Laurie Thomas	GC	\$2,761.03			2	< Class 1				
GUARD0129	Lorena Isabel Blackmon	GC	\$1,200.00			2	< Class 1				
GUARD0133	Keppel Houston Group LLC	GC	\$92,819.77			2	< Class 1				
GUARD0135	Karen Ann Laroux	GC	\$556.00			2	< Class 1				
GUARD0138	First Choice Power	GC	\$1,920.98			2	< Class 1				
GUARD0140	Regions Bank		\$542,588.77			4/12/2011	< Class 1			Court Order	
GUARD0144	City of Friendswood	GC	\$245.86			2	< Class 1				
GUARD0145	Friendswood Consolidate Tax Office	GC	\$640.21			2	< Class 1				
GUARD0150	Clear Creek Independent School District	GC	\$1,370.27			2	< Class 1				
GUARD0151	First Colony L.I.D.	GC	\$111.16			2	< Class 1				
GUARD0152	Cimarron M.U.D.	GC	\$144.08			2	< Class 1				
GUARD0153	Fort Bend Independent School District	GC	\$725.42			2	< Class 1				
GUARD0154	Southern Title Insurance Corporation	GC	\$339,738.21	see POC # Guard0155		2	< Class 1				
GUARD0156	Southern Title Insurance Corporation	GC	\$220,000.00			2	< Class 1				
Sub-total								\$566,957.27			
PRE-POC PROCESS CLAIM FUNDS TRANSFER APPROVED BY COURT ORDER											
Pre POC	Elberger Concorde	2007025030	\$1,028,916.00	\$1,021,794.83	\$7,121.17	5/11/2009	Approved	\$1,028,916.00	06/15/09	Wire transfer (paid interest)	
Total								\$1,595,873.27			

EXHIBIT 9

ASSIGNMENT

This Assignment is made by CANTILO & BENNETT, L.L.P., solely in its capacity as the Special Deputy Receiver (“SDR”) of Guardian Fidelity Title Company, Ltd., *et al.*¹ (“Guardian”), to Eleanor Kitzman, the Commissioner of Insurance for the State of the Texas (hereinafter referred to as the “Commissioner”).

Whereas, Guardian was placed into permanent receivership under the Insurer Receivership Act, TEX. INS. CODE Chapter 443 on July 11, 2008 and CANTILO & BENNETT, L.L.P., was appointed as Special Deputy Receiver through a Notice of Designation of Special Deputy Receiver filed on October 2, 2008, and made effective as of September 15, 2008;

Whereas, the SDR has filed his Final Report and Application to Make Final Distribution (the “Application”);

Whereas the SDR does not believe it is in the best interests of the creditors and the estate to keep the estate open to attempt to liquidate any remaining assets, including those which he had written off the estate’s Statement of Assets;

Whereas the SDR desires to assign to the Commissioner any and all remaining assets, whether known or unknown, whether written off the estate’s Statement of Assets or not; and whether or not specifically identified in this Assignment.

In consideration for good and valuable consideration, the receipt and validity of which is hereby acknowledged, the SDR agrees to and hereby does convey all of its right, title and interest in the assets, including all premiums owed to Guardian by Southern Title Insurance Company to the Commissioner and further assigns to the Commissioner all right, title and interest in all claims, potential claims, suits, demands, causes of action, charges or grievances of any kind or character, regardless of the nature or extent held by the SDR whether arising in tort, contract, by statute or otherwise, and including claims for breach of fiduciary duty. It is the intent of the Parties to this Assignment to convey all legal and equitable rights held by the SDR, whether or not specifically identified herein, to the Commissioner.

This Assignment shall not waive, release or otherwise affect any liabilities or obligations either party has to the other party. This Assignment shall not be effective until it is approved by the Receivership Court.

This Assignment constitutes the entire agreement of the parties, and the parties expressly agree that the terms of this contract supersedes any other contract, agreement or understanding between them with respect to the subject matter of this contract.

¹ Guardian Fidelity Title Company, Ltd., Guardian Fidelity Title CLR, LLP, Guardian Fidelity Title NWR, LLP, Guardian Fidelity Title KTB, Ltd., Guardian Fidelity Title SB Ltd., and Guardian Fidelity Title DFT, Ltd., each and collectively in liquidation.

The laws of the State of Texas govern this Agreement. Venue and jurisdiction for any actions to enforce this Agreement shall be in Travis County, Texas.

By: _____
Michael Marcin, Partner on behalf of
CANTILO & BENNETT, L.L.P., solely in its capacity as the Special Deputy Receiver

EXHIBIT 10

POSTED AT *WWW.GUARDIANFIDELITYSDR.COM*

EXHIBIT 11

POSTED AT *WWW.GUARDIANFIDELITYSDR.COM*

Guardian Fidelity Title Company, Ltd. et al in Liquidation

**NOTICE REGARDING GUARDIAN FIDELITY TITLE COMPANY, LTD., ET AL
[APPROVED CLAIMS AND TAXING AUTHORITIES NOTICE]**

As you were previously notified, Guardian Fidelity Title Company, Ltd., *et al.*¹ (“Guardian”), were placed in receivership. This notice is to inform you that Cantilo & Bennett, LLP, solely in its capacity as the Special Deputy Receiver has filed its Final Report and Application to Make Final Distribution (the “Application”). No funds will be distributed to creditors as a result of the Application. The Special Deputy Receiver will file an application to close the receivership, discharge the Receiver and Special Deputy Receiver, and dismiss this proceeding after the Receivership Court approves the Application.

A Final Report and Application to Terminate Rehabilitation and Application to Make Final Distribution (the “Closing Application”) for the *State of Texas v. Guardian Fidelity Title Company, Ltd., et al*, Cause No. D-1-GV-08-001478 in the 419th District Court of Travis County, Texas will be submitted for approval on October 24, 2011 (the “Submission Date”). The only distributions from the estate will pay the costs to administer the receivership. There will be no payment on the loan to the estate from the Texas Department of Insurance Abandoned Property Fund. There will be no distributions to unsecured claims. All approved escrow claims have been distributed. All unclaimed escrow funds will be turned over to the Commissioner of Insurance pursuant to the provisions of Texas Insurance Code Annotated section 443.304.

If you do have any questions you may contact this office at 512-478-6000. If you wish to review the Application, a copy is available at the Travis County District Clerks’ Office, 1000 Guadalupe Street, Austin, Texas or at the estate’s website at www.guardianfidelitysdr.com. If you wish to file an objection to the Closing Application, including but not limited to any objection to the approved expenses or any claims, you must comply with the following rules:

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) All interested parties by email, including the undersigned counsel, Christopher Fuller at cfuller@fullerlaw.org and those listed on the Applicant's Certificate of Service.

¹ Guardian Fidelity Title Company, Ltd., Guardian Fidelity Title CLR, LLP, Guardian Fidelity Title NWR, LLP, Guardian Fidelity Title KTB, Ltd., Guardian Fidelity Title SB Ltd., and Guardian Fidelity Title DFT, Ltd., each and collectively in liquidation.

EXHIBIT 12

3. The objecting party shall coordinate with opposing counsel and the Docket Clerk at (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 (3) calendar days before the submission or hearing date.

You are required to follow these procedures only if you have an objection to the Application. You are not required to follow these procedures to obtain a distribution.

**SPECIAL DEPUTY RECEIVER'S CERTIFICATION PURSUANT TO TEXAS
INSURANCE CODE ANNOTATED SECTION 443.017(b)
AFFIDAVIT OF MICHAEL P. MARCIN**

State of Texas

County of Travis

BEFORE ME, the undersigned authority appeared Michael P. Marcin, who after being by me duly sworn, stated the following under oath:

1. My name is Michael P. Marcin. I am competent to make this affidavit. The statements of fact set forth herein are true and correct, and are within my personal knowledge.

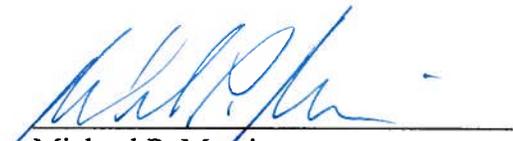
2. I am a partner in CANTILO & BENNETT, L.L.P., Special Deputy Receiver of Guardian Fidelity Title Company, Ltd., *et al.*¹ (the "SDR" and "Guardian" respectively). I am duly authorized to make this Certification and Affidavit on behalf of the SDR.

3. I certify that the exhibits, books, accounts, records, papers, correspondence, and/or other records and documents attached hereto were produced pursuant to Texas Insurance Code section 443.017(b), are true and correct copies of records of the insurers, and were either received from the custody of the insurer or found among its effects, or were created by or filed with the SDR's office in connection with the receivership of the delinquent insurers, and are held by the SDR in its official capacity.

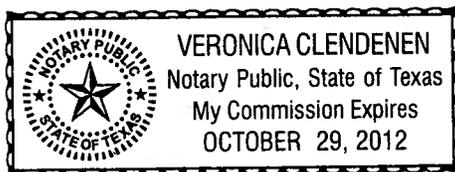
4. I further certify that I have read the *Final Report and Application to Make Final Distribution* and that the factual statements contained therein are true and correct based on my personal knowledge.

5. Further affiant sayeth not.

By:


Michael P. Marcin

SUBSCRIBED AND SWORN TO BEFORE ME on October 7, 2011, by Michael P. Marcin, on behalf of CANTILO & BENNETT, L.L.P., solely in its capacity as the Special Deputy Receiver of Guardian Fidelity Title Company, Ltd., *et al.*, in receivership.




Notary Public

¹ Guardian Fidelity Title Company, Ltd., Guardian Fidelity Title CLR, LLP, Guardian Fidelity Title NWR, LLP, Guardian Fidelity Title KTB, Ltd., Guardian Fidelity Title SB Ltd., and Guardian Fidelity Title DFT, Ltd., each and collectively in liquidation.

STATE OF TEXAS	§	IN THE DISTRICT COURT OF
	§	
Plaintiff	§	
v.	§	
Guardian Fidelity Title Company, Ltd.,	§	TRAVIS COUNTY, TEXAS
Guardian Fidelity Title CLR, LLP,	§	
Guardian Fidelity Title NWR, LLP,	§	
Guardian Fidelity Title KTB, Ltd.,	§	
Guardian Fidelity Title SB Ltd., and	§	
Guardian Fidelity Title DFT, Ltd.	§	419th JUDICIAL DISTRICT
	§	
Defendants	§	

ORDER APPROVING SPECIAL DEPUTY RECEIVER'S FINAL REPORT AND APPLICATION TO MAKE FINAL DISTRIBUTION

On this day the Court heard the *Final Report and Application to Make Final Distribution* (the “Application”) filed by CANTILO & BENNETT, L.L.P., solely in its capacity as the Special Deputy Receiver (“SDR”) of Guardian Fidelity Title Company, Ltd., *et al.*¹ (“Guardian”), The SDR appeared by and through its counsel. Having considered the Application, and the recommendation of the Special Master appointed in this proceeding (“the Master”), the Court finds as follows:

1. The *Order of Reference to Master* (“Order of Reference”) entered by this Court on August 22, 2008 provides that the Application is referred to the Master;
2. The Application was submitted to the Master in accordance with the Order of Reference;
3. Notice of the Application were provided in accordance with TEX. INS. CODE §443.007 (d) and the Order of Reference;
4. No objections were filed to the Application;

¹ Guardian Fidelity Title Company, Ltd., Guardian Fidelity Title CLR, LLP, Guardian Fidelity Title NWR, LLP, Guardian Fidelity Title KTB, Ltd., Guardian Fidelity Title SB Ltd., and Guardian Fidelity Title DFT, Ltd., each and collectively in liquidation.

5. The Master has issued a recommendation that the Application, , should be granted pursuant to Rule 171 of the Texas Rules of Civil Procedure;

6. The Court has jurisdiction over the Application and the parties in interest; and

7. The Application, as supplemented, should be GRANTED in all respects.

IT IS ORDERED, ADJUDGED, AND DECREED that the Application is GRANTED.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Court, as follows:

1. Exhibits 1, 2 and 3 are accepted and approved as final statements under section 443.016, subject to the final accounting;
2. The SDR is authorized to borrow funds from the Unclaimed Escrow Funds in an amount necessary to pay current and future costs of administration
3. The SDR is authorized to transfer the Unclaimed Escrow Funds, described on Exhibit 5, to the Commissioner, less any amounts borrowed by the SDR;
4. The Escrow Fund Distributions described on Exhibit 7 are approved, and the SDR is authorized to deem that a POC was filed and approved for such Escrow Funds Distributions;
5. The SDR's Final Report of Claims for POC GUARD 0165 and POC GUARD0166 is approved and the SDR is authorized to distribute \$1000 from restricted funds to POC 0165 claimant Jason Allen and \$10,000 from restricted funds to POC GUARD0166 claimant John Platis;
6. The Omnibus Report of Claims attached as Exhibit 5 to the Application is approved.
7. The reserve for the estimated expenses to administer this proceeding through its termination, as set forth in Exhibit 6 to the Application, is approved.

8. The SDR shall file a final report of expenses with its final accounting. No further interim reports of expenses are required pursuant to TEX. INS. CODE § 443.015 (g).
9. The assignment to the Commissioner of Insurance of unliquidated assets of Guardian is approved, and the SDR is authorized to execute an assignment in a form substantially similar to Exhibit 9. Pursuant to TEX. INS. CODE § 443.352, if funds will be treated in the same manner as funds that have been abandoned under TEX. INS. CODE § 443.304 (b).
10. The SDR is authorized to dispose of the records listed in Exhibit 10 to the Application in the manner described therein.
11. The SDR is authorized to transfer title to Guardian's closing files records in their possession, as described in Exhibit 11, to the Underwriters, and authorizing them to retain such records as required by law or any other legal requirement to maintain such records. This order expressly does not modify, eliminate or waive any such legal requirements
12. The SDR is authorized to transfer to the Commissioner all remaining records of Guardian in its possession that may be required after the termination of this proceeding pursuant to TEX. INS. CODE § 443.354 (b), and the reserve for the estimated expenses to maintain such records is approved. The Commissioner is authorized to maintain or dispose of such records at his discretion.
13. The SDR is authorized to execute and file a final tax returns for Guardian, and any other tax forms as may be necessary.
14. The Notice of Final Distribution Application, Exhibit 12, is approved and the Court finds that notice and service of the Application was proper.
15. The SDR is authorized to and by this Order does abandon of any remaining Guardian licenses;

16. The SDR is authorized to seek the dissolution of all Guardian charters in the application to approve its Final Report;
17. The SDR is authorized to take any action necessary to implement this Order.
18. This Order constitutes a final judgment fully resolving all issues relating to the Application, provided that this Court shall retain jurisdiction to issue further orders pursuant to Texas Insurance Code Annotated Chapter 443. This Order shall not affect, in any way, the Receiver's or the SDR's immunities from suit and shall not give rise to any right to sue or create any causes of action against the Receiver or the SDR. The automatic stay and the provisions of the Receivership Order remain in affect unless expressly modified herein. This Order does not amend, modify, or in any manner change or affect the terms and provisions of the *Agreed Order Appointing Liquidator and Permanent Injunction*.

SIGNED this ____ day of _____, 2011.

JUDGE PRESIDING