

NO. D-1-GV-08-000050

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

**SPECIAL DEPUTY RECEIVER’S 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 Special Deputy Receiver of Webb County Title & Abstract Company, Inc., in Liquidation (the “SDR” and “WCTA,” respectively), files this Final Report and Application to Make Final Distribution (the “Application”).

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 WCTA receivership estate (“WCTA Receivership”). In conjunction with this Application, the SDR files its final financial reports for the WCTA 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.

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 in accordance with Paragraph III of the Order of Reference to Master, entered on April 10, 2008, appointing Tom Collins as Special Master in this proceeding.

III. BACKGROUND

3.1 Company History

WCTA operated as a title insurance agent, as that term is defined in Texas Insurance Code section 2501.003(13), with offices in Laredo, Texas. WCTA acted as an agent for several solvent title insurance companies. WCTA became insolvent largely due to embezzlement by employees. The relevant title insurance companies continue to process and pay claims on title insurance policies issued by WCTA. As a title insurance agent, WCTA was not required to, and did not, maintain reserves or reinsurance.

3.2 WCTA Receivership Proceeding

WCTA was placed in receivership in this proceeding on January 11, 2008, when the Court entered the *Permanent Injunction and Order Appointing Permanent Receiver* (the “Permanent Injunction”) appointing Mike Geeslin, the Texas Commissioner of Insurance as Permanent Receiver. The Receiver designated CANTILO & BENNETT, L.L.P., as SDR of WCTA effective as of May 2, 2008. On August 15, 2011, Eleanor Kitzman was appointed Commissioner and succeeded Mike Geeslin as Liquidator of WCTA.

Initial administration of the receivership estate was financed through WCTA’s operating account and the proceeds from the sales of assets. These funds have now been exhausted. Further administration of the estate has been financed by loans by the Texas Department of

Insurance from the Abandoned Property Fund in accordance with Texas Insurance Code section 443.304(c). 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 Guaranty Association Coverage

Effective January 15, 2008, the Commissioner entered an order designating WCTA as an impaired insurer. In accordance with Chapter 2602 of the Texas Insurance Code, the Texas Title Insurance Guaranty Association (“TTIGA”) was authorized to investigate, adjust, compromise, settle and pay “covered claims” pursuant to section 2602.301. On April 28, 2008, the Court entered the *Amended Order Granting Amended Application for Transfer of Escrow Funds and Request for Claims Filing Deadline*. Pursuant to the order, all escrow funds were transferred by the SDR to TTIGA. TTIGA has paid and continues to process and pay covered claims.

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 November 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 November 30, 2011. These exhibits are incorporated herein by reference.

V. ASSETS

5.1 Inventory of Assets

The SDR prepared an Inventory of Assets for WCTA 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 January 11, 2008, WCTA's accounts held \$89,011 in escrow funds, and \$2,999 in cash representing unrestricted general assets and other assets such as receivables and property, plant and equipment.

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 January 11, 2008. Exhibit 4 reflects that all of WCTA's liquidated general assets remaining on the date of receivership, or collected thereafter, have been expended to pay the administrative expenses of the receivership. All escrow funds were transferred to TTIGA. There have not been any distributions and will not be any distributions to creditors with a classification of Class 2 or less. There are no known unliquidated general assets of WCTA, 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 November 30, 2011.

5.3 Unliquidated Assets

The SDR has no known unliquidated general assets, with the exception of those assets that were written off as reflected on Exhibit 4.

VI. EXPENSES

6.1 Paid Expenses

On July 22, 2008, this Court approved the SDR's application for approval of compensation and expenses pursuant to § 443.015 of the Code. On September 29, 2009, this Court entered its *Order Approving Second Amended Application for Approval of Fees and Expenses*. The SDR's compensation and expenses from the date of WCTA's receivership through October 31, 2011 have been paid in accordance with these orders. 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 October 15, 2011. The SDR requests that the following expense report be submitted as the final statement of expenses, and filed with the final accounting.

6.3 Reserve for Final Expenses

The fees and expenses of the receivership have been paid through October 31, 2011. The SDR proposes to reserve \$65,505.19 for the payment of estimated expenses through the termination of this proceeding. A summary of the estimated expenses is attached as Exhibit 5, and incorporated by reference. The estate owes \$39,763.06 in unpaid administrative expenses as of December 7, 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 will be transferred to the Commissioner.

VII. CLAIMS

7.1 Entry of the POC Order

On September 2, 2008, this Court entered its *Order Granting Special Deputy Receiver's Application to Provide Notice of Liquidation, Set Claims Filing Deadline, and Establish a Claims Processing Procedure* (the "POC Order") establishing October 14, 2008 as the deadline to file all claims. In accordance with this order, the SDR provided notice of the liquidation order, the cancellation of contracts and the claim filing deadline to all potential creditors identified in the books and records of WCTA, sent by electronic mail, facsimile and/or first class mail to the last known address. The POC Notice and filing instructions were also published (in English and Spanish) in the Laredo Morning Times and posted on the SDR's website at www.webbcountytitlesdr.com.

7.2 Claims

A total of 30 Proofs of Claims ("POCs") were timely filed in the WCTA Receivership. There were no late filed claims. Exhibit 6 to this Application itemizes each POC and its treatment. On or about April 16, 2008, the IRS filed a POC (on its own form) for pre-receivership taxes, penalties and interest due in the amount of \$167,857.94.

7.3 Processing of Claims

All POCs for claims against the WCTA Receivership were adjudicated with respect to their classification and, as applicable, amount, pursuant to section 443.253 of the Code.. 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 Code. The claims were processed as follows:

- a) TTIGA's POC for administrative expenses was allowed as Class 1(2) claim and the remainder was allowed as a Class 2 claim.
- b) Pursuant to this Court's November 23, 2010 *Order Granting Special Deputy Receiver's Expedited Application to Resolve Claims and Distribute*

Restricted Proceeds, International Bank of Commerce's ("IBC") POC was withdrawn with prejudice.

- c) Of the 28 POCs filed by other creditors, each was determined to have a priority of less than Class 1.

7.4 Final Report of Claims

Section 443.258 of the Code requires the SDR to file reports with the Court regarding claims that have been settled or determined under Texas Insurance Code section 443.253, and states as follows:

Liquidator's Recommendations To Receivership Court. The liquidator shall present to the receivership court, for approval, reports of claims settled or determined by the liquidator under section 443.253. The reports must be presented from time to time as determined by the liquidator and must include information identifying the claim and the amount and priority class of the claim.

Texas Insurance Code section 443.253(k) and the POC Order provide that the SDR "is not required to process claims for any class until it appears reasonably likely that property will be available for a distribution to that class." Each of the claimants identified in the SDR's Report of Claims has been notified in writing of the SDR's determination of the classification of its claims pursuant to Texas Insurance Code section 443.253, and all deadlines to appeal the SDR's determination of these POCs have expired.

The SDR submits Exhibit 6, the Final Report of Claims, pursuant to Section 443.258 of the Code and moves the Court for approval.

7.5 No Prejudice to Existing Claims and Rights

This Application is without prejudice to existing claims and rights against WCTA. With the exceptions noted above, the SDR has not adjudicated the claims asserted against the estate because it lacks funds to make even a partial distribution to claimants with a priority of less than

Class 1. Upon dismissal of the receivership and the discharge of the Receiver and SDR, the automatic stay and permanent injunction will be lifted without prejudice to any unliquidated claims. The immunities afforded the Receiver, the SDR and their staff shall remain in effect as provided for by statute.

7.6 TTIGA Claim Filing Deadline Regarding Covered Escrow Claims

As stated above, TTIGA will continue to exist after this delinquency proceeding is dismissed and the Receiver and the SDR are discharged. TTIGA's primary function is to pay covered escrow claims. It holds substantial assets in the form of guaranty fees that it has collected for the express purpose of funding such payments. TTIGA continued to receive escrow claims after both its and the estate's October 14, 2008 claim-filing deadline. In those instances where a claimant established that his or her claim was valid, TTIGA paid the claim, or is prepared to pay the claim, even if it was received after the claim-filing deadline. In order to permit and ratify TTIGA's payment of valid escrow claims and allow TTIGA to perform the function it was created to perform, the SDR asks that the Claim Filing Deadline in this estate be extended, for covered escrow claims only, to May 24, 2011. The Court has authority to extend the estate's claim-filing deadline under section 443.251 for good cause, and under section 443.251(c) of the Code to allow for processing and payment of late claims. TTIGA will, in the near future, apply to the Court for authority to extend its own claim filing deadline. While the Insurance Code allows for TTIGA to file a late claim against the estate for reimbursement of amounts paid out to escrow claimants, this procedure is irrelevant here because the estate has no assets. The Receiver, the SDR, and TTIGA agree and acknowledge that no such claim is contemplated or feasible at this time. Thus, the estate will be exposed to no further liability as a result of an extension of its claim-filing deadline for escrow claims only, as set out herein.

VIII. PROPOSED FINAL DISTRIBUTION OF ASSETS

8.1 Assets Available for Distribution

Pursuant to § 443.302 (a), the SDR requests authority to distribute WCTA's remaining funds. As of November 30, 2011, there was \$251,174 in cash in WCTA's receivership accounts. After reserving for remaining expenses, no funds will be available for distribution to pay any claims with a priority of less than Class 1 (1).

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 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 WCTA, 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 7, will be delivered to transfer all unliquidated assets, known and unknown, of WCTA.

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 Sale of the Title Plant

The SDR sold, pursuant to this Court's order, the entire title and abstract plant, as more fully described below, to LandTitleUSA for \$65,000. In summary, the sale of the title and abstract plant owned by WCTA included all closed files in the possession/control of the SDR and electronic records, stored in a computer which ran the AIMS and TP3 systems, and as to land, were subject to retrieval by reference to the description of the property under search. The plant records include parcels of land in Webb County, Texas (are of these items are collectively referred to as the "Title Plant"). The terms and conditions of the contract between the SDR and LandTitleUSA shall survive the termination of the delinquency proceeding.

10.2 Transfer of Records to TTIGA

In accordance with the *Amended Order Granting Amended Application for Transfer of Escrow Funds and Request for Claims Filing Deadline*, the SDR transferred certain records of WCTA to TTIGA. The SDR requests that this Court authorize it to transfer title to these records to TTIGA and its agents and assigns and further authorized them to retain or dispose of such records at their discretion.

10.3 Transfer of Records to Fidelity National Title

In coordination with the Texas Department of Insurance, the SDR transferred certain real estate closing files of WCTA to Fidelity National Title ("FNT"), the title insurance company that was the underwriter for certain closing transactions. The SDR now requests that this Court authorize it to transfer title to these records to FNT and further authorize FNT, its, agents and assigns to retain such records as required by law or any other requirement to maintain such records. The SDR does not seek to limit, reduce or otherwise modify any requirement that the

Underwriter has to maintain the records. The documents conveyed to FNT are identified on Exhibit 8.

10.4 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 \$366, and requests that such amount be reserved for the maintenance of the records, as reflected in Exhibit 5. 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.

10.5 Disposal of Remaining Records

The SDR proposes to dispose of all remaining records that are not already transferred to LandTitleUSA, 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 9. The expense necessary to destroy and/or discard the records is reflected in Exhibit 5. The SDR requests authority to dispose of such records in the manner described herein in accordance with section 443.354 (a).

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 the estate 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 in the amount of \$167,857.94. The claim by the IRS is 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 charter and license of WCTA is not feasible. The SDR will request that this Court dissolve the charter 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 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.webbcountytitlesdr.com*. The SDR reserves the right to issue additional notice if, in its sole discretion and 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 claims, the time period to object to the determinations has expired and/or any appeals of the determinations have been denied or withdrawn. The SDR will provide the notice of filing the Application, attached as Exhibit 10, to all relevant government and tax authorities including, but not limited to, the IRS.

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 section 443.017(b) by Susan E. Salch, 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*, all pleadings filed in response to this Application or in regards to this estate shall be served by electronic 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 and approving Exhibits 1-4 as final statements under section 443.016, subject to the final accounting;
3. Approving the reserve for estimated expenses described in Exhibit 5;
4. Approving the Final Report of Claims described in Exhibit 6;
5. Extending the TTIGA Claim Filing Deadline in this estate for covered escrow claims only, to May 24, 2011.
6. Authorizing the assignment of WCTA's unliquidated and unknown assets to the Commissioner in a form substantially similar to Exhibit 7;
7. Authorizing the SDR to transfer to the Underwriter title to WCTA's closing files records in its possession as described in Exhibit 8, and requiring it to retain such records as required by law or any other requirement to maintain such records;
8. Authorizing the SDR to transfer title to certain records to in its possession to TTIGA, and authorizing TTIGA to retain such records as required by law or any other requirement to maintain such records;

9. Authorizing the SDR to transfer title to and deliver the remaining records of WCTA 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;
10. Authorizing the SDR to destroy all records as described in Exhibit 9 pursuant to §443.352 of the Code;
11. Authorizing the SDR to file a final expense report with the final accounting;
12. Authorizing the SDR to execute and file tax returns and other tax forms as may be necessary;
13. Approving the SDR's abandonment of any remaining WCTA licenses;
14. Authorizing the SDR to seek the dissolution of all WCTA charters in the application to approve its Final Report;
15. Approving the form of Exhibit 10, the Notice of Final Distribution Application;
16. Approving the manner and form of notice of the Application; and
17. Granting such further relief to which the SDR may be entitled.

Respectfully submitted,

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Attorney for CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver of Webb County Title & Abstract Company, Inc., in Liquidation

CERTIFICATE OF SERVICE

I certify that on December 11, 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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	§	TRAVIS COUNTY, TEXAS
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Defendant	§	201st 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 December 26, 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

Rehabilitation & Liquidation Oversight
REQUIRED MASTER SPREADSHEET - DISCUSSION

The SDR Master Spreadsheet for 2011 is required for use beginning with the September 2010 reports filed on October 15, 2010. The formats provided conform to the requirements of the NAIC Global Receivership Information Database and/or the requirements for RLO.

The spreadsheet consists of 9 worksheets within the one Excel workbook. If you have problems with the format or formulas, please contact your analyst. **On the standardized worksheets, do not make changes in the formats or the formulas unless approved e.g. see number 1.**

The worksheets included in this spreadsheet are as follows:

<p>(1) <u>Statement of Expenses</u> - This worksheet should reflect all expenses for the month including the position, name, hours billed and rate of each SDR & Subcontractor staff member. For the summary Statement of Expense that will be filed with the court as part of the required quarterly reporting, copy over the monthly data into the appropriate column. Hide columns C-F prior to filing. Additional lines can be added or subtracted as appropriate for the numbers of staff, subcontractors or service providers in each receivership. Changes will require updates to the totals and subtotals on the report. The total expenses for the month should foot to the total expenses on the RLO Income Statement.</p>
<p>(2) <u>Statement of Net Assets</u> - This spreadsheet presents the asset portion of the receivership balance sheet in the format provided by the NAIC. If there are questions related to how individual amounts should be categorized, contact your analyst. This worksheet can be completed for the entire year with only the current month column displayed. It is in the format that is required to be filed by the court on a quarterly basis. The note section at the bottom is for explanations and comments. Identify the section referred to by line number.</p>
<p>(3) <u>Monthly Changes in Net Assets</u> - This worksheet presents changes in the assets of the receivership balance sheet in the format provided by the NAIC. In the Explanation of Changes section at the bottom, all changes over \$10,000 should be explained, exclusive of changes to cash. Additional comments can be made for smaller changes to the assets if significant. Identify the section referred to by line number.</p>
<p>(4) <u>Quarterly Changes in Net Assets</u> - This worksheet presents changes in the assets of the receivership balance sheet in the format provided by the NAIC for the quarter. This is the format for the quarterly reporting to the court. No explanation of changes are required.</p>
<p>(5) <u>Statement of Net Liabilities</u> - This worksheet presents the liability portion of the receivership balance sheet in the format provided by the NAIC. If there are questions related to how individual amounts should be categorized, contact your analyst. This worksheet can be completed for the entire year with only the current month column displayed. The note section at the bottom is for explanations and comments. Identify the section referred to by</p>
<p>(6) <u>Monthly Changes in Net Liabilities</u> - This worksheet presents changes in the liabilities of the receivership balance sheet in the format provided by the NAIC. In the Explanation of Changes section at the bottom, all changes over \$10,000 should be explained, exclusive of changes to accounts payable. Additional comments can be made for smaller changes to the liabilities if significant. Identify the section referred to by line number.</p>
<p>(7) <u>Quarterly Changes in Net Liabilities</u> - This worksheet presents changes in the liabilities of the receivership balance sheet in the format provided by the NAIC for the quarter. This is the format for the quarterly reporting to the court. No explanation of changes are required.</p>

(8) RLO Income Statement - This worksheet is the standard spreadsheet. It includes columns for Inception to Date, each month of the fiscal year (Sep - Aug), Fiscal Year and Inception-to-Date. Do make changes to this report. If you have a problem with the format or there are questions as to how a particular category of income or expense should be classified, your analyst.

(9) Sources & Uses of Cash (Changes in Cash & Investments) - This worksheet presents the sources and uses of cash for the month and balances to the ending cash. It also accumulates for each quarter. It is in the format provided by the NAIC to be filed quarterly with the court. For the quarterly reporting please hide all columns except for the total for the quarter being reported.

If you have problems with this workbook, please contact your analyst to discuss any issues. Exceptions are allowed only with RLO approval.

THIS WORKBOOK SHOULD BE SENT ELECTRONICALLY TO YOUR ANALYST EACH MONTH.

#REF! **WEBB COUNTY TITLE & ABSTRACT CO.,INC**
Statement of Net Assets
EXHIBIT 1(A)
For the Period Ending
11/30/11

Line		11/30/11
Cash		
1	Cash	
	Cash - Unrestricted	17,674
	APF Funds	233,500
Investments		
2	Short-Term Investments	
3	Bonds, Preferred Stocks & Common Stocks	
4	Investments in Subsidiaries, Controlled or Affiliated Entities	
5	Mortgage Loans	
6	Real Estate	
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	0
18	Total Unrestricted Assets	251,174
19	Total Restricted Assets	0
19A	Net Assets not Categorized	
20	Total Assets	251,174

NOTES

Ref No.

#REF!

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

EXHIBIT 1(B)

For Period Ending
11/30/11

Line		Class	11/30/11
1	Secured Claims	1	
	APF Loan	1	621,590
2	Special Deposit Claims	1	
Administrative			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	20,574
	Liquidation Oversight & Special Master's Fees	1	19,189
	Other Unsecured Loans	1	
4	Administrative Claims - Guaranty Assns	1	
	Claims Paid		401,388
	Reserves		
5	LAE - Guaranty Assns	1	
	Claims Paid		
	Reserves		
Loss Claims			
6	Loss Claims - Guaranty Assns	2	
	Loss Claims Paid		377,795
	Reserves		20,405
7	Loss Claims - Other	2	
	Loss Claims Paid		
	Reserves		
8	LAE - Other	2	
9	Unearned & Advance Premium Claims (Non Assessable Policies) - GA	2	
10	Unearned & Advance Premium Claims (Non Assessable Policies) - Other	2	
18	Unearned Premium Claims (Assessable Policies) - GA	2	
Other Creditors			
11	Federal Government Claims	3	276,137
12	Employee Claims	4	
13	General Unsecured Creditor Claims (Other than Reinsurance Related)	5	297,743
14	Ceded Reinsurance Related Unsecured Claims	5	
14.1	Assumed Reinsurance Related Unsecured Claims	5	
15	State & Local Government Claims		
	State & Local Governments/Attorneys	6	128,156
	State & Local Governments - Penalties	7	
16	Late Filed Claims - Unexcused	8	
17	Surplus Notes	9	
19	Unearned Premium Claims (Assessable Policies) - Other	9	
20	Shareholder Claims	11	
21	Other Liabilities		
	Interest	10	
	Other		
22	Total Liabilities		2,162,977
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(1,911,803)
	Total Liabilities & Equity		251,174

#REF!

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

EXHIBIT 1(B)

**For Period Ending
11/30/11**

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

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Rehabilitation & Liquidation Oversight
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Statement of Net Assets

For the Period Ending
11/30/11

Line		11/30/11
Cash		
1	Cash	
	Cash - Unrestricted	17,674
	APF Funds	233,500
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	
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17.3	Restricted - Separate Accounts & Protected Cell Accounts	
17.4	Restricted - Other	0
18	Total Unrestricted Assets	251,174
19	Total Restricted Assets	0
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NOTES

Ref No.

#REF!

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

EXHIBIT 1(B)

For Period Ending
11/30/11

Line		Class	11/30/11
1	Secured Claims	1	
	APF Loan	1	621,590
2	Special Deposit Claims	1	
Administrative			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	20,574
	Liquidation Oversight & Special Master's Fees	1	19,189
	Other Unsecured Loans	1	
4	Administrative Claims - Guaranty Assns	1	
	Claims Paid		401,388
	Reserves		
5	LAE - Guaranty Assns	1	
	Claims Paid		
	Reserves		
Loss Claims			
6	Loss Claims - Guaranty Assns	2	
	Loss Claims Paid		377,795
	Reserves		20,405
7	Loss Claims - Other	2	
	Loss Claims Paid		
	Reserves		
8	LAE - Other	2	
9	Unearned & Advance Premium Claims (Non Assessable Policies) - GA	2	
10	Unearned & Advance Premium Claims (Non Assessable Policies) - Other	2	
18	Unearned Premium Claims (Assessable Policies) - GA	2	
Other Creditors			
11	Federal Government Claims	3	276,137
12	Employee Claims	4	
13	General Unsecured Creditor Claims (Other than Reinsurance Related)	5	297,743
14	Ceded Reinsurance Related Unsecured Claims	5	
14.1	Assumed Reinsurance Related Unsecured Claims	5	
15	State & Local Government Claims		
	State & Local Governments/Attorneys	6	128,156
	State & Local Governments - Penalties	7	
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17	Surplus Notes	9	
19	Unearned Premium Claims (Assessable Policies) - Other	9	
20	Shareholder Claims	11	
21	Other Liabilities		
	Interest	10	
	Other		
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**WEBB COUNTY TITLE & ABSTRACT CO.,INC
Statement of Net Liabilities**

EXHIBIT 1(B)

**For Period Ending
11/30/11**

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

R-536 WEBB COUNTY TITLE & ABSTRACT CO, INC- INRECEIVERSHIP
Changes in Cash & Investments
Sources & Uses of Cash

EXHIBIT 2

For the period January 11, 2008 to November 30, 2011

Line	Total Sources & Uses
Income	
1 Premium Receipts	0
2 Settlements	50,889
3 Policy Loan Receipts	0
4 Proceeds from Sale of Real Property or Personal Property	1,228,235
5 Reinsurance Recoveries	0
6 Salvage & Subrogation Recoveries	0
7 Agents' Balances Received	0
8 Collection of Affiliate Receivables	0
9 Recovery of Taxes Previously Paid	0
10 Other Receipts	
Abandoned Property Fund Loan Proceeds	621,590
Surety Bond Receipts	168,080
Rental Income	128,325
TTIGA Cost Sharing Reimbursements	142,222
Escrow Receipts	5,441
Insurance Refund-Water Damage	11,504
Insurance Refund-Other	2,596
Unclaimed Property Fund Reimb	3,269
File Storage Reimbursement	4,074
Miscellaneous Other	3,247
11 Total Operational Receipts	2,369,472
12 Interest & Dividend Receipts	794
13 Net Cash Provided by Investment Activities	0
14 Total Cash Receipts from Investment Activities	794
15 Total Cash Receipts	2,370,266
Operational Expenses	
16 Deputy Receiver & Consulting Fees & Expenses	583,714
17 Employee Salaries, P/R Taxes & Employee Benefits	113,468
18 Rent, Office & Other Facility Expenses	175,857
19 Legal Fees & Expenses	156,766
20 Accounting & Auditing Fees & Expenses	105,104
21 SGA - Administration Expenses other than LAE	30,275
22 Ancillary Administration Expenses	54,407
23 Other Disbursements	902,500
24 Total Operational Disbursements	2,122,091
Investment Expenses	
25 Investment Expenses	

R-536 **WEBB COUNTY TITLE & ABSTRACT CO, INC- INRECEIVERSHIP**
Changes in Cash & Investments
Sources & Uses of Cash

EXHIBIT 2

For the period January 11, 2008 to November 30, 2011

Line	Total Sources & Uses
26 Purchase of Invested Assets	
27 Total Disbursements for Investment Activities	0
Claims Paid	0
28.1 Losses/Benefit Payments - SGA	0
28.2 Losses/Benefit Payments - Non SGA	0
28.3 Losses/Benefit & LAE Payments - Special Deposits	0
29.1 LAE Payments - SGA	0
29.2 LAE Payments - non SGA	0
30 Early Access Payments	0
31 Reinsurance Payments	0
32 Total Cash Distributions	0
33 Total Cash Disbursements & Distributions	2,122,091
34 Net Increase(Decrease) in Cash	248,175
35 <i>Cash at Beginning of Period-1/11/2008</i>	2,999
36 <i>Cash at End of Period-11/30/2011</i>	251,174

R-536 COUNTY TITLE & ABSTRACT CO, INC- INRECEIVERSHIP
Changes in Cash & Investments
Sources & Uses of Cash

Ending
08/31/08

Line		
Income		
1	Premium Receipts	
2	Settlements	
3	Policy Loan Receipts	
	Proceeds from Sale of Real Property or Personal	
4	Property	
5	Reinsurance Recoveries	
6	Salvage & Subrogation Recoveries	
7	Agents' Balances Received	
8	Collection of Affiliate Receivables	
9	Recovery of Taxes Previously Paid	
10	Other Receipts	344373
11	Total Operational Receipts	
12	Interest & Dividend Receipts	430
13	Net Cash Provided by Investment Activities	
14	Total Cash Receipts from Investment Activities	
15	Total Cash Receipts	
Operational Expenses		
16	Deputy Receiver & Consulting Fees & Expenses	136028
17	Employee Salaries, P/R Taxes & Employee Benefits	34201
18	Rent, Office & Other Facility Expenses	67926
19	Legal Fees & Expenses	15482
20	Accounting & Auditing Fees & Expenses	12031
21	SGA - Administration Expenses other than LAE	5143
22	Ancillary Administration Expenses	15740
23	Other Disbursements	
24	Total Operational Disbursements	286551
Investment Expenses		
25	Investment Expenses	
26	Purchase of Invested Assets	
27	Total Disbursements for Investment Activities	
Claims Paid		
28.1	Losses/Benefit Payments - SGA	
28.2	Losses/Benefit Payments - Non SGA	
28.3	Losses/Benefit & LAE Payments - Special Deposits	
29.1	LAE Payments - SGA	

29.2 LAE Payments - non SGA

30 Early Access Payments

31 Reinsurance Payments

32 Total Cash Distributions

33 Total Cash Disbursements & Distributions

34 Net Increase(Decrease) in Cash

35 Cash at Beginning of Period-1/11/2008

36 Cash at End of Period-10/31/2011

Other Receipts Include:

Surety Bond \$62,442

Loans from APF \$421,590

Rental Income \$95,500

TTIGA Cost Sharing \$142,105

						15,739.59
136028.38	34200.61	67925.95	15481.97	12031.53	5142.71	15739.59
286550.74						
Distribution for Sources & Uses						
SDR & Cont	Empl Sal	Rent/ Faci	Legal	Acct	SGA	Ancil
16	17	18	19	20	21	22

WEBB COUNTY TITLE & ABSTRACT CO., INC. - IN RECEIVERSHIP
Inventory of Known Assets
January 11, 2008

Inventory of Known Assets

Unrestricted Cash Accounts	
OPERATING ACCT - 1ST NATL 4582	\$ 1,595
COMMISSION ACCT - IBC 0204	757
PREMIUM ACCOUNT - FALCON 0020	647
Total Unrestricted Cash Accounts	<u>2,999</u>
Restricted Cash Accounts	
ESCROW ACCOUNT-Frost	57,968
ESCROW CD-IBC Bank	18,059
ESCROW CD-IBC Bank	12,984
Total Restrcted Cash Accounts	<u>89,011</u>
Receivables	
FEES RECEIVABLE-POLICY FILES	10,793
Property, Plant & Equipment	
BUILDING AND LAND	1,085,975
COMPUTER EQUIPMENT	403,613
FURNITURE AND FIXTURES	113,862
OFFICE EQUIPMENT	102,999
VEHICLES	71,935
ABSTRACT PLANT	215,309
Total Property, Plant & Equipment	<u>1,993,693</u>
TOTAL ASSETS	<u><u>\$ 2,096,496</u></u>

EXHIBIT 3

WEBB COUNTY TITLE & ABSTRACT CO, INC IN RECEIVERSHIP #R536
EXHIBIT 4
FOR THE PERIOD JANUARY 11, 2008 THROUGH NOVEMBER 30, 2011

ASSET DESCRIPTION	ASSET BALANCE 1-11-2008	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	SETTLEMEN T	SOURCE OF SETTLEMEN T	DATE OF SETTLMNT	ASSET BALANCE 11-30-2011
CASH													
Beginning Cash	2,999												
		128,325	Rental Income	100,000	Surety Bonds	08/31/08							
			Loans from Abandoned	68,080	Surety Bonds	09/12/08							
		621,590	Property Fund Investment	50,889	Glast, Phillips Lawsuit	03/09/09	1,219,591	Operational Expenses					
		794	Income Escrow Receipts										
		5,441	8/31/08	2,000	Sale of Vehicle	12/31/08							
		3,247	Misc Receipts	2,000	Furniture	04/04/09							
				142,222	TTIGA Cost Sharing	Various							
				8,248	Sales of Property	Various							
				11,504	Ins-Water Damage	08/18/10							
				4,074	Files Storage	Various							
				3,269	Reimb Unclaimed Property	09/02/10							
				313,487	Proceeds from RE Sales transferred from Restricted status	09/22/10							
				1,448	Hartford Recovery-Ins	10/11/10							
				1,148	Home Buyer's Refund	09/29/09							
Subtotal	2,999	759,397		708,369			1,219,591			0			251,174
INVESTMENTS													
Subtotal	0	0		0			0			0			0
REINSURANCE													
Subtotal	0	0		0			0			0			0
RECEIVABLES													
A/R Due from Shareholder	168,630						(168,630)	Write off remaining asset balance due to uncollectibility	11/30/11				

WEBB COUNTY TITLE & ABSTRACT CO, INC IN RECEIVERSHIP #R536
EXHIBIT 4
FOR THE PERIOD JANUARY 11, 2008 THROUGH NOVEMBER 30, 2011

ASSET DESCRIPTION	ASSET BALANCE 1-11-2008	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 11-30-2011
A/R Due from Shareholder-Allowance for Uncollectibility	(168,630)						168,630	Write off allowance balance-asset uncollectible	11/30/11				
Prepaid Interest (Due to IRS)	14,348						(14,348)	Write off remaining asset balance due to uncollectibility	11/30/11				
Prepaid Interest - Allowance for Uncollectibility	(14,348)						14,348	Write off allowance balance-asset uncollectible	11/30/11				
Subtotal	0	0		0			0			0			0
OTHER ASSETS													
Furniture, Fixtures & Equipment	1,993,693			2,000	Sale of Vehicle	12/31/08							
				2,000	Sale of Furniture	04/04/09							
							375,227	To establish allowance for uncollectibility for computer equipment	10/01/08				
							102,999	To establish allowance for uncollectibility for office equipment	10/01/08				
							93,423	To establish allowance for uncollectibility for furniture & fixtures	10/01/08				
							69,935	To write off vehicles-no vehicles remain	10/01/08				
							75,105	To establish allowance for uncollectibility for building, land & plant to agree to loan value	10/01/08				

WEBB COUNTY TITLE & ABSTRACT CO, INC IN RECEIVERSHIP #R536
EXHIBIT 4
FOR THE PERIOD JANUARY 11, 2008 THROUGH NOVEMBER 30, 2011

ASSET DESCRIPTION	ASSET BALANCE 1-11-2008	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 11-30-2011
Fees Receivable-Policy Files	10,793						28,386	To write off computer equipment returned to Falcon Bank to satisfy note	01/31/09				
							18,439	To write off FFE returned to Falcon Bank to satisfy note	01/31/09				
							215,309	To establish allowance for uncollectibility-Abstract Plant	10/01/08				
							10,793	To establish allowanc for uncollectibility	10/01/08				
							10,793	Write off allowance balance-asset uncollectible	11/30/11				
							(10,793)	Write off remaining asset balance due to uncollectibility	11/30/11				
				1,010,870	Sale of Building	09/22/10							
Subtotal	2,004,486	0		1,014,870			989,616			0			0
RESTRICTED ASSETS													
Beginning Balance	89,011	65,000	Sale of Escrow Plant				89,011	Transferred funds to TTIGA	10/01/08				
		22	Interest -Tx Treas Acct										
		1,150,539	Sale of Building										
		514	Interest -Tx Treas Acct				88	Bank Charges					
										902,500	Pymt Secured Claim to IBC	12/6/10	
							313,487	Transfer to Unrestricted Status					
Subtotal	89,011	1,216,075		0			402,586			902,500			0

WEBB COUNTY TITLE & ABSTRACT CO, INC IN RECEIVERSHIP #R536
EXHIBIT 4
FOR THE PERIOD JANUARY 11, 2008 THROUGH NOVEMBER 30, 2011

ASSET DESCRIPTION	ASSET BALANCE 1-11-2008	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	SETTLEMEN T	SOURCE OF SETTLEMEN T	DATE OF SETTLMNT	ASSET BALANCE 11-30-2011
TOTAL	2,096,496	1,975,472	0	(306,501)	0	0	2,611,793	0	0	902,500	0	0	251,174

R-536 Webb County Title & Abstract Company, Inc.
Reserve for Final Expenses

	<u>Estimated Expenses</u>
Estimated SDR Fees	
Administration, Accounting, & Claims	20,238.00
Expenses and Record Shipping	<u>336.99</u>
Total SDR Fees	20,574.99
Estimated Subcontractor Fees & Expenses	
Legal	8,466.63
Claims/Records Management	6,010.00
Records Storage	220.00
Records Disposal	455.00
Accounting/Tax Returns	<u>7,723.72</u>
Total Subcontractor Fees & Expenses	<u>22,875.35</u>
Estimated TDI Fees	
TSL Records Storage	366.00
Liquidation Oversight	<u>21,688.85</u>
Total TDI Fees	22,054.85
Grand Total of All Expenses	<u><u>65,505.19</u></u>

EXHIBIT 5

12/9/2011

**R-536 Webb County Title & Abstract Company, Inc.
Proof of Claims Summary**

POC#	Claimant	Amount Claimed	Claim Determination
00001	Standard Coffee Service	138.88	Below Class 1
00002	Santos L. Salas	250,000.00	Below Class 1
00003	Laredo Community College	6,518.04	Below Class 1
00004	Laredo ISD	39,911.28	Below Class 1
00005	Laredo Community College	1,497.29	Below Class 1
00006	Laredo ISD	4,872.91	Below Class 1
00007	Crane Engineering Corp	45,333.75	Below Class 1
00008	BKD, LLP (formerly The Hanke Group)	10,420.00	Below Class 1
00009	Ramiro E. Menchaca, PC	7,750.00	Below Class 1
00010	Int'l Bank of Commerce	1,104,597.06	Withdrawn
00011	Freeman and Castillon, Attys	16,494.50	Below Class 1
00012	Dell Financial Services, LLC	28,104.01	Below Class 1
00013	City of Laredo	Unstated	Below Class 1
00014	City of Laredo	82,846.00	Below Class 1
00015	Laredo Morning Times	3,180.73	Below Class 1
00016	United ISD	1,156.45	Below Class 1
00017	Fidelity Natl Title Insurance Co	366,405.85	Below Class 1
00018	A F Muller Co and La Bota Development	280,280.00	Below Class 1
00019	Guillermo Benavides	70,514.52	Below Class 1
00020	Glast, Phillips and Murray, PC	62,577.92	Below Class 1
00021	TTIGA	779,183.12	Approved
00022	Morgan Business Solutions	37.18	Below Class 1
00023	Kazen, Meurer and Perez, LLP	175.00	Below Class 1
00024	SWB Yellow Pages	15,206.00	Below Class 1
00025	Compass Bank	368,164.88	Below Class 1
00026	Compass Bank	362,251.00	Below Class 1
00027	Twins Mechanical	132.77	Below Class 1
00028	Twins Mechanical	125.00	Below Class 1
00029	Twins Mechanical	227.33	Below Class 1
00030	IRS	<u>167,858.00</u>	Below Class 1
Total:		\$4,075,959.47	

EXHIBIT 6

ASSIGNMENT

This Assignment is made by CANTILO & BENNETT, L.L.P., solely in its capacity as Special Deputy Receiver (“SDR”) of Webb County Title & Abstract Company, Inc., in Liquidation (“WCTA”) to Eleanor Kitzman, the Commissioner of Insurance for the State of the Texas (hereinafter referred to as the “Commissioner”).

Whereas, WCTA was placed into permanent receivership under the Insurer Receivership Act, TEX. INS. CODE Chapter 443 on January 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 May 2, 2008;

Whereas, the SDR has filed its 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 any and all remaining assets, whether known or unknown, 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.

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

R-536 Webb County Title & Abstract Company, Inc.

Records Conveyed to Fidelity National Title
Transfer Agreement Date: August 12, 2008

1	GF-07000834
2	GF-07000929
3	GF-07000931
4	GF-07000961
5	GF-07000541
6	GF-07000734
7	GF-07000877
8	GF-07000962
9	GF-04000885
10	GF-07000901
11	GF-07000912
12	GF-07000824
13	GF-07000848
14	GF-07000857
15	GF-07000482
16	GF-07000795
17	GF-07000790
18	GF-05003961

EXHIBIT 8

EXHIBIT 9 DISPOSITION OF RECORDS SCHEDULE

Box#	Details	Disposition
100511	Recording Fees / 1998	SHRED
100515	Accounts payable	SHRED
100515	Accounts payable	SHRED
100721	A/P Recording Fees	SHRED
100721	A/P Recording Fees	SHRED
100724	A/P Recording Fees	SHRED
101580	Notary Journals	DESTROY
101581	A/P Misc-Bank Signature files	SHRED
101582	Misc. Work Product	DESTROY
101583	Policy Registers	DESTROY
101584	Undelivered policies w/letters	SHRED
101585	Phone Message Pads	DESTROY
101586	Misc. files/Notebooks	SHRED
101587	GF Logs-Search Logs	SHRED
101588	Manuals & Internal Files	DESTROY
101589	Internal Manuals & Reports	DESTROY
101590	Copies of work product & definitions	SHRED
101634	A/P Files	SHRED
101635	Wkly P/R Reports - 1st Quarter 1994	DESTROY
101635	Wkly P/R Reports - 2nd Quarter 1994	DESTROY
101635	Wkly P/R Reports - 3rd Quarter 1994	DESTROY
101635	Wkly P/R Reports - 4th Quarter 1994	DESTROY
101636	Misc. Vendor Files	SHRED
101637	AP/AR Invoices	SHRED
101638	A/P-Payroll Back Up	SHRED
101639	Audit Reports 1986 thru 1993	SHRED
101649	A/P Files 1992 thru 1999	SHRED
101650	A/P Files 1992 thru 1998	SHRED
101651	Misc. Title Company Reports	SHRED
101652	Misc. Check Stubs	SHRED
101653	AP/AR Files	SHRED
101654	Closer Tracking Monthly Reports	SHRED
101654	Commission Reports	SHRED
101654	Fidelity Premium Records	SHRED
101654	Premium Reports	SHRED
101654	Premiums & Commission Reports	SHRED
101654	Sign on Policy	SHRED
101665	Paid Invoices 1994-2002	SHRED
101666	Title Premium Reports 2005	SHRED

101667	Southgate Financial Records	SHRED
101668	Employee Time Cards - 2003thru 2004	SHRED
101669	Qrtly. Payroll Reports-2001	SHRED
101671	Quarterly Payroll Records- 2003	SHRED
101672	Qrtly. Payroll Reports-2002	SHRED
101673	Escrow/Policy Payments 1994-1997	SHRED
101676	Misc. returned mail-2006	SHRED
101677	Pending Invoices 05 thru 08	SHRED
101678	Unpaid Invoices A thru M 2006-2007	SHRED
101679	Accounting Files I thru Z	SHRED
101680	Accounting Files A thru H	SHRED
101681	A/P Files M thruW	SHRED
101682	A/P 2003 files A thru M	SHRED
101683	Insurance Payments-Business / 1997 thru 2001	SHRED
101683	Insurance Payments-Fidelity Title / 2005 thru 2007	SHRED
101683	Insurance Payments-United General / 2005	SHRED
101684	Personnel Files H thru U	SHRED
101685	Personnel Files A thru G	SHRED
101685	Terminated Personnel Files	SHRED
101686	Employee Files N thru Z	SHRED
101687	Personnel Files A thru M	SHRED
101694	H.U.D. Minutes 1994-1995	DESTROY
101694	S. Tx. Abstract	DESTROY
101695	Video Tape # 1-Santos	SHRED
101695	Video Tape # 1-Santos	SHRED
101695	Video Tape # 2-Santos	SHRED
101695	Video Tape # 2-Santos	SHRED
101695	Video Tape # 3-Raquel Gonzalez	SHRED
101695	Video Tape # 3-Raquel Gonzalez	SHRED
101696	1620 Santa Ursula Property files	DESTROY
101698	Operating Stats. Reports -1999	SHRED
101701	Misc. papers to/from Raquel Gonzalez	SHRED
101703	Paid Invoices A thru F- 05 thru 08	SHRED
101704	Paid Invoices G thru W- 05 thru 08	SHRED
101712	R Gonzalez&A Rodriguez, Jr	SHRED
101717	Statistical Reports - 2000	DESTROY
101718	Abstract Certificates-1999	SHRED
101718	Alamo Title Correspondence	SHRED

101718	Ins. Proposal Catalogs	SHRED
101718	Insurance-New Bids	SHRED
101718	Invoice for R. Gonzalez 97 & 98 Tax Returns	SHRED
101718	Raquel Gonzalez Personal Life Ins.	SHRED
101718	Raquel Gonzalez Personal Papers-1	SHRED
101718	Raquel Gonzalez Personal Papers-2	SHRED
101719	Advances to So. Texas Abstract/1983-1986	SHRED
101719	Alamo Title letter re: new site plan	SHRED
101719	Annual Minutes/1988 - 1993	SHRED
101719	Board Resolutions-1994	SHRED
101719	Corporate Minutes-1993	SHRED
101719	Legal Correspondence/1975-1981	SHRED
101719	Legal Correspondence/R.Pena-1993	SHRED
101719	Legal Correspondence-1988	SHRED
101719	Letter of Intent/Ruben Garcia-1988	SHRED
101719	Name Change-1991	SHRED
101719	New Orders/1988-1989	SHRED
101719	Out of County Title Work Agreement-1992	SHRED
101719	Resume-Don Tobin	SHRED
101719	Resume-Phil Steven Kosub	SHRED
101719	Share Holders Meetings-1993	SHRED
101719	South Texas Abstract History-1982	SHRED
101719	State Board of Ins. Complaints	SHRED
101719	State Board of Ins. name Change-1991	SHRED
101719	Violation Notice from State Board of Ins.	SHRED
101719	Webb Audit & Review-1993	SHRED
101719	Webb Title Property-HUD-1994	SHRED
101719	Work Policies	SHRED
101720	Legal Correspondence files A thru M	SHRED
101721	Legal Files M thru Z	SHRED
101722	Payroll Records 1/05 thru 3/05	SHRED
101722	Payroll Records 7/05 thru 12/05	SHRED
101727	Escrow Officer License/Raquel Gonzalez	SHRED
101727	Newtex Investments/Raquel Gonzalez	SHRED
101730	Misc. Accounting Records-1994 thru 1999	SHRED
101733	Raquel Gonzales-Legal Files	SHRED
101734	Misc. Raquel Files	SHRED
101735	Payroll A/C 1/01 thru 12/01	SHRED

101735	Premiums A/C 1/01- thru 12/01	SHRED
101735	Wkly. Payroll 4//05 thru 7/05	SHRED
101736	Payroll Records	SHRED
101736	Payroll Records	SHRED
101736	Payroll Records	SHRED
101738	Payroll Wkly. Summaries	SHRED
101738	Payroll Wkly. Summaries	SHRED
101738	Payroll Wkly. Summaries	SHRED
101740	Good Funds Agreement Contracts	SHRED
101741	Voided checks, accounting workpapers	SHRED
101742	Raquel Gonzalez legal issue files	SHRED
101743	Amer. Heritage Ins. Binder	SHRED
101743	Binder of Invoices	SHRED
101743	Fidelity & Alamo Bindere Binder	SHRED
101743	Premium Binder	SHRED
101743	Study Course Binder	SHRED
101743	TDI Stat. Report Binder	SHRED
101744	Binder-Corporate Records/J.B. Gonzalez, Inc.	SHRED
101744	Binder-Directors Minutes/South Texas Abstract	SHRED
101744	Binder-Fannie Mae/Notes & Faxes, 1997	SHRED
101744	Binder-Laredo Modular Const./History	SHRED
101745	Copes of checks marked "give to Fred 2-08"	SHRED
101745	Letter from lawyer Re: Outstanding Invoices	SHRED
101745	Personal notebook	SHRED
101745	Title Ins. Escrow Office License-Elizabeth Flores	SHRED
101747	Copy- Paisano Home Builders notarized vendor's lien	SHRED
101747	Escrow Accounting file ledger printouts	SHRED
101752	A & F Builders/Certificate of Good Standing	DESTROY
101752	A M Rags International/Certificate of Good Standing	DESTROY
101752	Armadillo Construction/Certificate of Good Standing	DESTROY
101752	B M W Creative Home/Certificate of Good Standing	DESTROY
101752	Bekalar, Inc/Certificate of Good Standing	DESTROY

101752	Big O Development/Certificate of Organization	DESTROY
101752	Bonugli Builders/Certificate of Good Standing	DESTROY
101752	Corcat Enterprises/Certificate of Assumed Name	DESTROY
101752	Dynamic Carriers/Agreement of Limited Liability	DESTROY
101752	East House & North House Prop/Sec. Cert. of Authorization	DESTROY
101752	Enrique Arce Inc/Certificate of Good Standing	DESTROY
101752	Gerardo Arellano Forwarding/Certificate of Corporate Resolutions	DESTROY
101752	La Bota Dev./Shareholders Cpr. Resolutions	DESTROY
101752	Lampazus Construction/Certificate of Reinstatement	DESTROY
101752	Laredo Medical Equity Inv/Cert. copy of Corp. Resolution	DESTROY
101752	Laredo Mob Partners/Cert. copy of Corp. Resolution	DESTROY
101752	Laredo Regional, Inc.Cert. copy of Corp. Resolution	DESTROY
101752	M G Contractors/Partnership Agreement	DESTROY
101752	Magnon-Shapiro Investments/Articles of Organization	DESTROY
101752	Mines Road Development/Certificate of Organization	DESTROY
101752	Ministerios Revelacion/Certificate of Good Standing	DESTROY
101752	Palmito Homes/Certificate of Not in Good Standing	DESTROY
101752	PHH Real Estate/Certificate of Resolutions	DESTROY
101752	Q & N Inc/Board of Directors Resolutions	DESTROY
101752	Sanchez Homes/Certificate of Corporate Resolutions	DESTROY
101752	Savo, LC/Certificate of Organization	DESTROY
101752	Sidugal, LLC/Cert. copy of Corp. Resolution	DESTROY

101752	The Dasco Companies Cert. Copy of Corp. Resolution	DESTROY
101752	Torres Construction/Certificate of Corporate Resolutions	DESTROY
101752	Universal Health Svcs/Cert. copy of Corp. Resolution	DESTROY
101752	Vimosa II/Partnership Agreement	DESTROY
101752	Zubestgo Partners/Revised Partnership Agreement	DESTROY
101753	A & W Real Estate I, Ltd/Trust Agreements	DESTROY
101753	Continental Homes of Tx., Inc./Certification	DESTROY
101753	Elia G. Gonzalez Properties/Partnership Agreement	DESTROY
101753	F. Sanchez Investments, Ltd./Corporate Documents	DESTROY
101753	Hilltop Farms, Ltd./Certification	DESTROY
101753	IB Property Holdings, LLC/Certification	DESTROY
101753	Laredo West Warehouse Condos/Corporate Resolution	DESTROY
101753	Meadow Brook Condos/Management Certificate	DESTROY
101753	Nor-Quest, LLC/Operating Agreement	DESTROY
101753	North House, Inc./Articles of Incorporation	DESTROY
101753	Nu-Vision Subdivision/Declaration of Covenants	DESTROY
101753	Park Place Condos/Corporate Documents	DESTROY
101753	Riverhill Management, LC-Requests for closing fees	DESTROY
101753	RJH, Inc. Resolution Documents	DESTROY
101753	Solo Development Partners, Ltd./Corporate Documents	DESTROY
101753	United Way/Corporate Resolution	DESTROY
101753	Wyland Real Estate, Ltd./Certification	DESTROY
101754	1st Builders, LTD	SHRED
101754	3 B Estates	SHRED
101754	4 V Holdings	SHRED
101754	Allied Forwarding	SHRED
101754	ASA Group	SHRED
101754	Attorneys Title Opinions-City of Laredo	SHRED

101754	Bonugli Jr. Builders Certifications	SHRED
101754	Bravo Auto, Inc.	SHRED
101754	Check copies/Hilltop Farm-Jesus Elizondo	SHRED
101754	Deer Run	SHRED
101754	Desarrollos Villas Del Lago, L.L.C.	SHRED
101754	Gateway Professional Builders-1	SHRED
101754	Gateway Professional Builders-2	SHRED
101754	Gonzalez Inversionistas, LLC	SHRED
101754	Hareco/Lavaude-Vimosa II, LC	SHRED
101754	London Partners,London-Laredo LLC	SHRED
101754	MADS STX Construction	SHRED
101754	MEARP I, Ltd.	SHRED
101754	Metro Affordable Housing Agreement	SHRED
101754	MIAB Group	SHRED
101754	Modern Construction/Corporate Resolution	SHRED
101754	NABE Properties	SHRED
101754	North Plantation Venture	SHRED
101754	People's Mfg. Housing of S.A. Cert. of A/C	SHRED
101754	People's Mgmt. Cert. of Good Standing	SHRED
101754	People's Mgmt. Certificate of Incorporation	SHRED
101754	Plaza Espana/Partnership Agreement	SHRED
101754	RCS Land Company	SHRED
101754	Santa Fe Development	SHRED
101754	Tasador Laredo, Inc/Corporate Resolution	SHRED
101754	Trevino Family Trust Agreement	SHRED
101754	V & P Inc.	SHRED
101754	Vela Apartment Complexs	SHRED
101754	XIP Properties	SHRED
101755	Notary Public Binders /Training Manual Binder	DESTROY
101756	Misc. Accounting Workpapers	SHRED
101758	A & F Builders/Certificate of Corporate Resolution	DESTROY
101758	A.F. Muller Company/Corporate Resolution	DESTROY
101758	Aclint Properties/Certificate of Organization	DESTROY
101758	America Home Construction/Status Certificate	DESTROY

101758	America Home Construction/Status Certification	DESTROY
101758	Amistad Enterprises NV/Certificate of Good Standint	DESTROY
101758	Armadillo Construction/Certificate of Good Standing	DESTROY
101758	Armadillo Construction/Corporate Resolution Forms	DESTROY
101758	Associates Relocation Mngmt/Corp. Resolution	DESTROY
101758	Bilt Best Builders/Certificate of Good Standing	DESTROY
101758	Bonugli Builders,Inc/Certificate of Good Standing	DESTROY
101758	Cantu America Construction/Corporate Resolution	DESTROY
101758	Castillon, Ltd/Certificate of Partnership Agreement	DESTROY
101758	Corona Development/Articles of Organization	DESTROY
101758	Edifika Construction, LLC/Certificate of Organization	DESTROY
101758	F.J. Flores Family, Ltd/Partnership Agreement	DESTROY
101758	Fannie Mae Appointment of Signatory Officers	DESTROY
101758	G L Properties/Status Certification	DESTROY
101758	Gares II, Inc./Status Certification	DESTROY
101758	Gerardo Arellano Forwarding/Cert. on No Good Standing	DESTROY
101758	Gonzalez Properties/ Articles of Agreement	DESTROY
101758	Granitos Naturales of N. America/Status Certification	DESTROY
101758	Green Road Homeowners Assoc/Certificate of Filing	DESTROY
101758	Jemco Homes/Certificate of Good Standing	DESTROY
101758	Juan Gonzalez Construction/Cert. of Corp. Resolution	DESTROY
101758	Lacho Realty/Partnership Agreement	DESTROY

101758	Listo Development/Partnership Agreement	DESTROY
101758	M G Contractors, Ltd./Partnership Agreement	DESTROY
101758	New Tex Investments/Partnership Agreement	DESTROY
101758	North House Inc/Status Certification	DESTROY
101758	P4 Land Management Svcs./Partnership Agreement	DESTROY
101758	Pago Construction Inc./Certificate of Corporate Resolution	DESTROY
101758	Paisano Home Builders/Status Certification	DESTROY
101758	Palmito Home/Certificate of Corporate Resolution	DESTROY
101758	Paragon Builders/Certificate of Good Standing	DESTROY
101758	Paramount Home Builders/Certificate of Good Standing	DESTROY
101758	Paramount Home Builders/Status Certification	DESTROY
101758	Parrot Warehouse/Certificate of Good Standing	DESTROY
101758	Peoples Management of S. Texas/Cert. of Incorporation	DESTROY
101758	People's Mfg./Cert.of Good Standing/Corp. Resolution	DESTROY
101758	River South Mobile Home Park/Partnership Agreement	DESTROY
101758	Santa Fe Development/Regulations Agreement	DESTROY
101758	Santa Rita Dev/Certificate of Good Standing	DESTROY
101758	Santa Rita Development/Corporate Resolution	DESTROY
101758	SBJA Holdings, Inc/Certificate of Corporate Resolution	DESTROY
101758	Scandal Fashion/Certificate of Corporate Resolution	DESTROY
101758	Superior Building Systems/Status Certification	DESTROY

101758	Torres Construction/Certificate of Corporate Resolution	DESTROY
101758	Towne East General Partner/Certificate of Organization	DESTROY
101758	Tri-G Land Dev. Ltd./Partnership Agreement	DESTROY
101758	V Designer Homes/Certificate of Good Standing	DESTROY
101758	V Designer Homes/Certificate of Good Standing	DESTROY
101758	Vimosa II/Watts, LC/Certificate of Organization	DESTROY
101758	Z & R Investments/Partnership Agreement	DESTROY
101759	Peoples Management of S. Texas/Partnership Agreement	DESTROY
101759	4 V Holdings/Partnership Agreement	DESTROY
101759	A & F Builders/Corporate Resolution	DESTROY
101759	A & W Real Estate/Partnership Agreement	DESTROY
101759	ANAM Certifications	DESTROY
101759	Brothers Corporation/Status Certification	DESTROY
101759	Continental Homes/Merger Agreement	DESTROY
101759	Gage & Ortega Properties, Ltd./Partnership Agreement	DESTROY
101759	Gares II, Inc/Status Certification	DESTROY
101759	Hilltop Farms, Ltd/ Partnership Agreement	DESTROY
101759	Hu-Gon, Inc./Certificate of Incorporation	DESTROY
101759	IB Property Holdings/Status Certification	DESTROY
101759	J & M Properties, DBA MFP Properties/Certification	DESTROY
101759	Lampazos Construction/Status Certification	DESTROY
101759	MG Contractors, Ltd./Partnership Agreement	DESTROY
101759	Verde-Mines & Green-Mines Ranch/Corp. Resolution	DESTROY
101760	Training Manuals	DESTROY
101761	Alamo Title-Texas Land Title Exam	DESTROY
101762	How-To Forms & Manuals	DESTROY
101763	Training Manuals	DESTROY

101764	Title Company and Seminar Manuals	DESTROY
101765	Law Books	DESTROY
101766	Estate Planning Manuals	DESTROY
101767	Assorted Title Company Manuals	DESTROY
101768	Binder-Employer's Admin & Benefit Guide	SHRED
101768	Binder-Escrow Accounting Basics	SHRED
101768	Binder-Laredo College 2002 Board Policy	SHRED
101768	Binder-Laredo College 2004 Board Meeting	SHRED
101768	Binder-Laredo College Dist. Expansion Preliminary Working Documents	SHRED
101768	Binder-Management Companies Home Owner Association Dues	SHRED
101775	Shipping Envelopes/supplies	DESTROY
101776	Forms & Practice Manuals	DESTROY
101777	Fidelity 2007 Premium Reports Pending Exam	DESTROY
101778	Texas Legal Directories-2006	DESTROY
101779	Blank Forms	DESTROY
101780	Blank Forms	DESTROY
101782	Binder-Policy Registers	DESTROY
101783	Index cards/manuals/work product	DESTROY
101784	"Old Policy Ledgers" and computer runs	DESTROY
101785	2007 Fedex Outgoing Package Logs	SHRED
101785	2007 Lone Star Outgoing Package Logs	SHRED
101785	Copy-Fidelity Title Password & Instruction Manual	SHRED
101785	Fedex shipping receipts	SHRED
101785	Laredo Comm. College 2004 Unaudited Financial Report	SHRED
101785	Laredo Comm. College 2007 Agenda of Board of Trustees Meeting	SHRED
101785	Laredo Comm. College 2008 Proposed Budget Working Papers	SHRED
101785	Lone Star shipping receipts	SHRED
101785	Rolls of Webb County address labels	SHRED
101831	Cert. of Dep.-Alfredo & Estela Santos Estate/closed 10/98	SHRED
101831	Falcon Bank Escrow a/ct-Voided checks-1998/1999	SHRED

101831	Falcon Bank Operating a/c-Voided checks-1998	SHRED
101831	Falcon Bank Operating a/c-Voided checks-1998/1999	SHRED
101831	Falcon Bank Operating a/c-Voided checks-1999/2000	SHRED
101831	Falcon Bank Prem. a/c-Alamo Title Premium Report-1997	SHRED
101831	Falcon Bank Prem. a/c-Fidelity Nat. Premium Report-1997	SHRED
101831	Falcon Bank Prem. a/c-United General Premium Report-1997	SHRED
101831	Falcon Bank Recording a/c-Voided checks-1998	SHRED
101831	IBC Escrow a/c-Voided checks-1999	SHRED
101831	IBC Escrow a/c-Voided checks-2000	SHRED
101833	Quarterly Payroll Reports-2000	SHRED
101834	Loose Timecards	SHRED
101835	Voided Checks	DESTROY
101841	1st, 2nd, 3rd & 4th Quarter Payroll-1999	DESTROY
101842	1st, 2nd, 3rd & 4th Quarter Payroll-1997 & 1998	DESTROY
101852	Cancelled orders	DESTROY
101855	Order Entry Ledgers - 1998	DESTROY
101859	Copies of Overnight messages / work product	DESTROY
101860	Copies of Overnight messages / work product	DESTROY
101862	Check Stock	SHRED
101863	Voided checks - 2004 thru 2006	SHRED
101864	Check Stock	SHRED
101865	Check Stock	SHRED
101866	Check Stock	SHRED
101867	Check Stock	SHRED
101874	Voided and NSF Checks-2002 thru 2006	SHRED
101875	Voided checks-1994 thru 1995	SHRED
101876	Commissioners Emergency Cease & Desist Order	SHRED
101876	Payroll checks issued to Raquel Gonzalez 5/18/07-12/13/07	SHRED
101877	Invoices	SHRED
101878	Check Stock	SHRED

101879	Check Stock	SHRED
101882	PC-Hard drives	SHRED
101885	PC-Hard drives	SHRED
101886	Daily Reports Filed for Record-1/2000	DESTROY
101886	Daily Reports Filed for Record-10/1999	DESTROY
101886	Daily Reports Filed for Record-11/1999	DESTROY
101886	Daily Reports Filed for Record-12/1999	DESTROY
101886	Daily Reports Filed for Record-2/2000	DESTROY
101886	Daily Reports Filed for Record-3/2000	DESTROY
101886	Daily Reports Filed for Record-4/2000	DESTROY
101886	Daily Reports Filed for Record-5/2000	DESTROY
101886	Daily Reports Filed for Record-6/2000	DESTROY
101886	Daily Reports Filed for Record-7/2000	DESTROY
101886	Daily Reports Filed for Record-8/1999	DESTROY
101886	Daily Reports Filed for Record-9/1999	DESTROY
101888	Backup CDs	SHRED
101890	Accounts Payable Misc.	SHRED
101890	Correspondence, copies - Hilda Leyva	SHRED
101890	Appraisal Report for Webb Bldg prepared 8/5/02 by Mr. Ray Gonzales	SHRED
101890	Employee Handbook	DESTROY
102526	Check copies	SHRED
102526	Misc. Vendor Files	SHRED
102526	Personnell records	SHRED
102527	Pre receivership payroll records	SHRED
102528	Pre receivership Accounts Payable files and NSF checks and checks written and not sent	SHRED

EXHIBIT 10

NOTICE REGARDING WEBB COUNTY TITLE & ABSTRACT COMPANY, INC., [TAXING AUTHORITIES NOTICE]

As you were previously notified, Webb County Title & Abstract Company, Inc., (“WCTA”), was 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. Webb County Title & Abstract Company, Inc.*, Cause No. D-1-GV-08-000050 in the 201st District Court of Travis County, Texas will be submitted for approval on December 26, 2011 (the “Submission Date”). The only distribution from the estate will partially pay the loan to the estate from the Texas Department of Insurance Abandoned Property Fund.

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.webbcountytitlesdr.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.
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.

**SPECIAL DEPUTY RECEIVER'S CERTIFICATION
PURSUANT TO TEXAS INSURANCE CODE ANNOTATED §443.017(b)
AFFIDAVIT OF SUSAN E. SALCH**

State of Texas

County of Travis

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

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

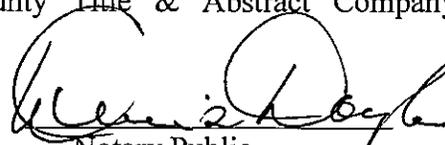
2. I am a partner in CANTILO & BENNETT, L.L.P., the Special Deputy Receiver of Webb County Title & Abstract Company, Inc. I am duly authorized to make this Certification and Affidavit on behalf of the SDR.

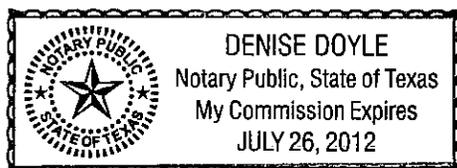
3. I certify that the exhibits, books, accounts, records, papers, correspondence, and/or other records and documents attached hereto were produced pursuant to TEX. INS. CODE ANN. §443.017(b), are true and correct copies of records created by and filed with the Receiver's office in connection with the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

4. Further affiant sayeth not.

By: 
Susan E. Salch

SUBSCRIBED AND SWORN TO BEFORE ME on December 8, 2011, by Susan E. Salch, on behalf of CANTILO & BENNETT, L.L.P., solely in its capacity as the Special Deputy Receiver of Webb County Title & Abstract Company, Inc. in receivership.


Notary Public



NO. D-1-GV-08-000050

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

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 Webb County Title & Abstract Company, Inc., ("WCTA"). 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 April 10, 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. The Texas Title Insurance Guaranty Association ("TTIGA") filed its Acknowledgement of Service and Waiver of Objection.
5. No objections were filed to the Application;
6. The Master has issued a recommendation that the Application should be granted pursuant to Rule 171 of the Texas Rules of Civil Procedure;
7. The Court has jurisdiction over the Application and the parties in interest; and

8. 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. Exhibit 4 is approved;
3. The reserve for the estimated expenses to administer this proceeding through its termination, as set forth in Exhibit 5 to the Application, is approved
4. The SDR's Final Report of Claims, Exhibit 6, is approved .
5. 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).
6. The assignment to the Commissioner of Insurance of unliquidated assets of WCTA is approved, and the SDR is authorized to execute an assignment in a form substantially similar to Exhibit 7.
7. The SDR is authorized to transfer title to WCTA's closing files records to the Fidelity National Title Company ("FNT"), as described in Exhibit 8, and authorizing it 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
8. The SDR is authorized to dispose of the records listed in Exhibit 9 to the Application in the manner described therein.
9. The SDR is authorized to transfer to the Commissioner all remaining records of WCTA 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.

10. The SDR is authorized to execute and file a final tax returns for WCTA, and any other tax forms as may be necessary.
11. The Notice of Final Distribution Application, Exhibit 10, is approved and the Court finds that notice and service of the Application was proper.
12. The SDR is authorized to and by this Order does abandon of any remaining WCTA licenses;
13. The SDR is authorized to seek the dissolution of all WCTA charters in the application to approve its Final Report;
14. The SDR is authorized to take any action necessary to implement this Order.
15. 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