



## II. AUTHORITY

2.1 The Special Deputy Receiver is authorized to file this *Application* pursuant to §§ 443.153(e) and 443.352 of the Texas Insurance Code.<sup>1</sup> Under § 443.154(a), the Special Deputy Receiver has all of the Receiver's powers, except as limited by the Receiver.

2.2 The subject matter of this *Application* and the hearing of any objection to the *Application* have been referred to the master appointed in this proceeding (Master) in accordance with Paragraph III of the *Order of Reference to Master* entered on October 31, 2013 (*Order of Reference*). The Master has authority to request and accept evidence in a hearing by submission (hearing) to support the *Application* pursuant to Tex. R. Civ. P. 171.

## III. FINAL FINANCIAL STATEMENTS

3.1 Attached and incorporated by reference as if fully set out are the following financial statements that reflect the anticipated financial condition of the receivership estate as of November 30, 2020:

- 1) Statement of Net Assets and Statement of Net Liabilities (Exhibit B);
- 2) Sources and Uses of Cash (Exhibit C); and
- 3) Final Statement of Expenses (Exhibit D).

The Special Deputy Receiver requests that Exhibits B, C, and D be approved as the anticipated final financial statements for the receivership estate, subject to final adjustments being made on sources and uses of funds due to interest, bank charges, and incidental firming up of expense categories.

## IV. EXPENSES

4.1 The *Final Distribution Order* approved a reserve of \$69,142.50 for the payment of estimated closing expenses through the termination of the receivership estate. The actual expenses

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<sup>1</sup> All statutory references herein are to the Texas Insurance Code, unless otherwise indicated.  
*Final Accounting and Application to Terminate Receivership, Dissolve Charter, and Discharge Receiver and Special Deputy Receiver*  
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incurred were \$69,142.50. Exhibit D is the Special Deputy Receiver's final statement of expenses submitted pursuant to § 443.015. No cash remained in the receivership estate's account after all expenses were paid.

## **V. DISTRIBUTION**

5.1 As authorized in the *Final Distribution Order*, the Special Deputy Receiver credited previous early access distributions to the Texas Property and Casualty Insurance Guaranty Association (TPCIGA) against its final distribution. In accordance with the *Final Distribution Order*, the Special Deputy Receiver made distributions totaling \$1,148,907.44, representing a 100% distribution to TPCIGA's approved Class 1 claim and approximately a 98.04% *pro rata* distribution to approved Class 2 claims. No assets were available for distribution to classes of lower priority. Exhibit E is the *Final Distribution Schedule* and is incorporated by reference as if fully set out.

## **VI. UNCLAIMED AND RESIDUAL FUNDS**

6.1 There were no unclaimed funds from the distributions made in accordance with the *Final Distribution Order*.

6.2 The *Final Distribution Order* authorized the Special Deputy Receiver to transfer to the Commissioner any funds remaining in the receivership account after the final distribution (Residual Funds). As discussed above, there were no Residual Funds after the final distribution and payment of closing expenses.

## **VII. FEDERAL INCOME TAX RETURNS AND FEDERAL RELEASE**

7.1 SAIC is owned 100% by Quirk Group, Inc., and as a subsidiary company of Quirk Group, Inc. participated in a consolidated corporate federal tax return pursuant to a tax sharing agreement. Final tax returns were filed with the Internal Revenue Service for the years 2013 through 2019. Quirk Group, Inc. will file a final tax returns for SAIC for 2020 in October 2021.

No federal income taxes are owed by the receivership estate. The SDR's estate accountant may be able to review a draft of the SAIC's 1120 for the 2020 consolidated tax return.

7.2 On March 12, 2020, the Special Deputy Receiver executed a federal release agreement with the United States (Release Agreement). The Release Agreement released the current and former Commissioners as Receiver, the Special Deputy Receiver including Kathy Milford, as President of the Special Deputy Receiver, and the SAIC receivership estate from federal claims, subject to the exclusions in the Release Agreement. The SDR received confirmation from the United States Government that it had no objections to the destruction of records authorized in the *Final Distribution Order*.

## **VIII. TRANSFERS**

8.1 The *Final Distribution Order* authorized the Special Deputy Receiver to transfer any unknown assets of the SAIC receivership estate to the Commissioner. Attached as Exhibit F is a copy of the executed Transfer and Assignment of Known and Unknown Assets to the Commissioner. Exhibit F includes the defaulted securities described in Paragraph 5.2 of the *Application to Approve Report of Claims, Make Final Distribution, and Destroy Records*.

## **IX. RECORDS**

9.1 The *Final Distribution Order* authorized the Special Deputy Receiver to destroy certain records of SAIC that were no longer required for the administration of the receivership estate, and the Special Deputy Receiver has completed this records destruction.

9.2 The remaining records of SAIC will have been inventoried by the Special Deputy Receiver and are being transferred to the Commissioner as required. In accordance with the *Final Distribution Order*, the Commissioner is authorized to retain or dispose of these records at his discretion.

## **X. CHARTER**

10.1 The Special Deputy Receiver requests the Court dissolve the charter of SAIC pursuant to § 443.153(e).

## **XI. TERMINATION AND DISCHARGE**

11.1 As all assets of the SAIC receivership estate are being distributed, the Special Deputy Receiver requests the Court enter an order pursuant to § 443.352 terminating this proceeding. The Special Deputy Receiver further requests that this Court enter an order discharging the Commissioner as Receiver and Milford Consulting, LLC as Special Deputy Receiver of SAIC.

## **XII. OFFER OF PROOF**

12.1 Attached to this *Application* and incorporated by reference as if fully set out is Exhibit A, the *Affidavit of Kathy Milford*, and is the certification submitted under § 443.017(b), authenticating records referenced, and verifying the facts contained in this *Application*. The Special Deputy Receiver requests that Exhibits A-F be admitted as *prima facie* evidence in support of this *Application*, and that the facts contained in the *Application* and its exhibits be admitted as *prima facie* proof of the matters.

## **XIII. NOTICE & HEARING**

13.1 This *Application* is filed pursuant to § 443.007 and the *Order of Reference*. The *Order of Reference* modifies the requirement for length of notice of a hearing contained in § 443.007(e) to fourteen calendar days. *Order of Reference*, p. 6, paragraph IV, 3(a). This *Application* set for hearing on a date that complies with the fourteen calendar day notice requirement set forth in the *Order of Reference*.

13.2 The Special Deputy Receiver has provided notice of the hearing for this *Application* to all persons who have requested notice in the receivership estate in accordance with § 443.007(a)

and the notice requirements in the *Order of Reference*. As shown on the certificate of service, the Special Deputy Receiver also noticed all known “parties in interest” as that term is defined by § 443.004(a)(17). Moreover, notice has also been provided to persons the Special Deputy Receiver has determined need to be noticed pursuant to § 443.007(d).

13.3 In accordance with the *Liquidation Order*, the Special Deputy Receiver “may provide notice of any application by first class mail, electronic mail, or facsimile transmission, at [his] discretion.” *Liquidation Order*, Section VII, Paragraph 7.6. “Notice and hearing of any matter submitted by the [Special Deputy Receiver] to the receivership court for approval under [Chapter 443] must be conducted in accordance with [§ 443.007(c)-(g).]” § 443.007(b). The Special Deputy Receiver will provide notice of the *Application* by email as shown on the certificate of service incorporated by reference as if fully set out. Notice of all legal filings has been provided by e-mail to the certificate of service throughout the term of the receivership estate.

13.4 The Special Deputy Receiver requests the Court find that (i) the notice of the hearing on this *Application* was served on parties in interest as defined in § 443.004(a)(17) and was proper and (ii) the notice of hearing was made in accordance with the notice requirements in § 443.007 and the *Order of Reference* and was sufficient. The *Application* will be posted on the Special Deputy Receiver’s website.

#### **XIV. FINALITY OF ORDER**

14.1 This Court’s Order approving the *Application* constitutes a final judgment resolving all matters related to the *Application* and closing this proceeding.

## **XV. PRAYER**

**WHEREFORE, PREMISES CONSIDERED**, Milford Consulting, LLC, as Special Deputy Receiver of San Antonio Indemnity Company, respectfully prays that this Court enter an Order:

1. Approving this *Application*;
2. Approving Exhibits B, C, and D as the final financial statements for the receivership estate;
3. Dissolving the charter of SAIC pursuant to § 443.153(e);
4. Terminating the SAIC receivership estate proceeding;
5. Discharging the Commissioner as Receiver of SAIC;
6. Discharging Milford Consulting, LLC as the Special Deputy Receiver of SAIC;
7. Admitting Exhibits A through F into evidence;
8. Admitting the facts contained in the *Application* and its exhibits into evidence as *prima facie* proof of the matters;
9. Finding that the notice of the hearing was made to the certificate of service and (i) was served on parties in interest as defined in § 443.004(a)(17) and was proper and (ii) was made in accordance with the notice requirements in § 443.007 and the *Order of Reference* and was sufficient;
10. Transferring all right, title, and interest to the assets described in Exhibit F to the Commissioner in accordance with § 443.352;
11. Finding that the Order approving the *Application* constitutes a final judgment resolving all matters relating to the *Application*;
12. Authorizing the Special Deputy Receiver to execute any documents as necessary to effectuate the purpose of this *Application*; and

13. Granting such other and further relief as this Court deems appropriate.

Respectfully submitted,

**AMY JEANNE WELTON**

**Attorney at Law**

P.O. Box 1644

Dripping Springs, TX 78620-1644

830-868-7136

Facsimile No. 888-570-5906

Email: weltonlaw@gmail.com

*/s/ Amy Jeanne Welton*

Amy Jeanne Welton

State Bar No. 21004800

**ATTORNEY FOR  
MILFORD CONSULTING, LLC as  
SPECIAL DEPUTY RECEIVER OF  
SAN ANTONIO INDEMNITY COMPANY**

## APPLICANT'S NOTICE OF SUBMISSION

Pursuant to the terms of the *Order of Reference to Master* entered on October 31, 2013, by the District Court in this cause, the *Final Accounting and Application to Terminate Receivership, Dissolve Charter, and Discharge Receiver and Special Deputy Receiver* is set for written submission before the receivership master, Tom Collins, on Monday, December 14, 2020.

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

1. Any objection by a party in interest (“objecting party”) must be filed with the Travis County District Clerk at least 3 calendar days before the submission date.
2. A copy of any objection shall be served by such date on:
  - (a) Receivership master's docket clerk, Texas Department of Insurance, at [specialmasterclerk@tdi.texas.gov](mailto:specialmasterclerk@tdi.texas.gov) (*by email*);
  - (b) All parties in interest, including those listed on the Applicant's Certificate of Service, and the undersigned counsel.
3. The written objection must specifically list all reasons for objection with supporting references to and discussion of statutory and case authorities. Reasons not stated in writing will not be considered orally.
4. If a matter is set for submission, an objecting party shall expeditiously coordinate with applicant’s counsel and the receivership master’s docket clerk [(512) 676-6915] to obtain an oral hearing, unless the receivership 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 timely file a written objection before the receivership master constitutes a waiver of the right to object to the receivership master's recommendation to the District Court.
6. Any Acknowledgment of Notice and Waiver to be filed by any party in interest should be filed at least 3 calendar days before the submission or hearing date.

*/s/ Amy Jeanne Welton*

**AMY JEANNE WELTON**  
**weltonlaw@gmail.com**

**EXHIBIT A**

**AFFIDAVIT OF KATHY MILFORD**

STATE OF TEXAS                   §  
  §  
  §  
  §  
COUNTY OF HAYS               §  
  §

Before me the undersigned authority personally appeared Kathy Milford who being first duly sworn states the following:

**BACKGROUND**

1. “My name is Kathy Milford. I am more than 21 years of age and reside in Austin, Hays County, Texas. I am of sound mind, have never been convicted of a crime, and am fully competent and duly qualified to make this Affidavit. Milford Consulting, LLC was designated to serve as Special Deputy Receiver of San Antonio Indemnity Company when it was placed in liquidation on October 31, 2013. I am the President of Milford Consulting, LLC and make this affidavit on its behalf. As a result of my duties as President of the Special Deputy Receiver, I have knowledge of the facts stated in this Affidavit, and they are all true and correct. Abbreviations used in the *Application* are applicable in this Affidavit as well.
2. “Milford Consulting, LLC has retained subcontractors to assist in its administration of specialized areas of the receivership estate. The staff of Milford Consulting, LLC and the

subcontractors engaged on the receivership estate will be collectively referred to as “my staff” below.

3. “I have read the *Final Accounting and Application to Terminate Receivership, Dissolve Charter, and Discharge Receiver and Special Deputy Receiver* in the case styled *State of Texas v. San Antonio Indemnity*; Cause No. D-1-GV-13-001153 in the 201<sup>st</sup> Judicial District Court of Travis County, Texas. I verify that all the facts contained in the *Application* are true and correct based on my personal knowledge, which I obtained from my consultation with my staff.
4. “I have also read all the exhibits attached and incorporated into the *Application* by reference. I certify that the exhibits are true and correct copies of these documents, which are part of the books, records, documents, and papers of the receivership estate pursuant to Tex. Ins. Code Ann. § 443.017(b). I request that the Court admit the facts contained in the *Application*, this Affidavit, and all the exhibits into evidence as *prima facie* proof of the matters asserted pursuant to Tex. Ins. Code Ann. § 443.017(c).
5. “The final federal consolidated tax return for 2019 was filed on October 7, 2020. No federal income taxes are owed by the receivership estate. My estate accountant will review a draft of the 2020 SAIC 1120. The final 2020 consolidated tax return will not be filed until sometime in October 2021.
6. “On March 11, 2020, I signed a federal release agreement with the United States. Subject to the exclusions detailed in the agreement, the release agreement released the Receiver, including all predecessors to the Receiver, the Special Deputy Receiver including Kathy Milford, as President of the Special Deputy Receiver, and the SAIC receivership estate

from any and all liability under 31 U.S.C. § 3713(b) in connection with the SAIC liquidation.

7. "All assets justifying the expense of collection and distribution have been collected and distributed, and there are no remaining known unliquidated assets. Accordingly, based upon my consultation with my staff and subcontractors, I recommend this proceeding should be terminated.

"The Affiant has nothing further to say."

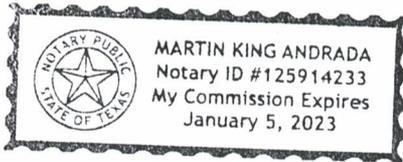


Kathy Milford, President  
Milford Consulting, LLC, as Special Deputy Receiver for  
San Antonio Indemnity Company

STATE OF TEXAS

COUNTY OF HAYS

SWORN TO AND SUBSCRIBED before me on the 30<sup>th</sup> day of November 2020.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 1/5/2023

**Exhibit B**  
**San Antonio Indemnity Company**  
**Statement of Net Assets**

**For the Period Ending**  
**11/30/20**

Line		11/30/20
<b>Cash</b>		
1	Cash	
	Cash - Unrestricted	0
	Cash - Restricted	0
<b>Investments</b>		
2	Short-Term Investments	
3	Bonds	0
4	Stocks - Preferred & Common	0
5	Investments in Subsidiaries, Controlled or Affiliated Entities	
6	Mortgage Loans	
7	Real Estate	
8	Policy Loans	
9	Other Invested Assets	
<b>Restricted Assets</b>		
10	Statutory Deposits	
11	Funds held by or deposited with Reinsured Companies	
12	Restricted - Other	
<b>Reinsurance Receivable</b>		
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	0
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	
15	Reinsurance Recoverables on UEP & Contingent Commissions	
<b>Other Receivables</b>		
16	Salvage & Subrogation Recoveries	
17	Premiums Due from Agents & Policyholders	
18	Receivable from Parents, Subsidiaries & Affiliates	
19	Receivable from Guaranty Associations - Early Access Payments	0
20	Other Receivables	
<b>Other Assets</b>		
21	FF&E	
22	Other Assets	
	<b>Total Assets</b>	<b>0</b>

**NOTES**

Ref No.

General

The receivership statement of assets is prepared using a liquidation basis of accounting that differs from generally accepted accounting principles (GAAP). Estimates and assumptions are utilized to report asset amounts. Assets are generally shown at their estimated net realizable value. If the estimated net realizable value cannot be determined, the book value of the asset is reflected.

**San Antonio Indemnity Company  
Statement of Net Assets**

**For the Period Ending  
11/30/20**

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3

Balance represents unencumbered invested assets carried at amortized costs and adjusted for collectibility. Bonds with a book value of \$50,003 have been non-admitted due to their uncollectible status.

4

Balance represents unencumbered invested assets carried at amortized cost and adjusted for collectibility. Stocks with a book value of \$380 have been non-admitted due to their uncollectible status.

**San Antonio Indemnity Company**  
**Statement of Net Liabilities**

For Period Ending  
11/30/20

Line		11/30/20
1	Secured Claims	
2	Reinsurance Liability	0
3	Special Deposit Claims	
<b>Administrative Claims - Class 1</b>		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	0
	Liquidation Oversight	0
	Special Master's Fees	0
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	0
	Administrative Expense Reserves	0
6	LAE - Guaranty Assns	
	LAE Paid	0
	LAE Reserves	0
<b>Policy Claims - Class 2</b>		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	38,760
	Loss Claims Reserves	0
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	0
9	LAE - Other	20
10	Unearned & Advance Premium Claims - GA	3,900
11	Unearned & Advance Premium Claims - Other	0
<b>Other Liabilities</b>		
12	Class 3 Claims	
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	772,277
15	Class 5 Reinsurance Related Unsecured Claims	26,384
16	Class 6 Claims	
17	Class 7 Claims	
18	Class 8 Claims	103,837
19	Class 9 Claims	
20	Class 10 Interest	
21	Class 11 Claims	
22	Other Liabilities	
	<b>Total Liabilities</b>	945,178
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(945,178)
	<b>Total Liabilities &amp; Equity</b>	<b>0</b>

**San Antonio Indemnity Company  
Statement of Net Liabilities**

**For Period Ending  
11/30/20**

**NOTES**

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

General

The receivership statement of liabilities is prepared using a liquidation basis of accounting that differs from generally accepted accounting principles (GAAP). Estimates and assumptions are utilized to report liability amounts. Liabilities are recorded at their estimated disposal value. If the estimated disposal value cannot be determined, the book value of the liability is recorded. A final determination of all liabilities, with the exception of amounts on line #4, will be concluded during the proof of claim process based on the supporting documentation submitted with the proof of claim and other information contained in the books and records of the receivership estate.

7

Balance represents a final determination made by the SDR of the claims in the receivership based upon the information provided in the POC and any additional information requested and received or discovered in the books and records of the company.

9

Balance represents a final determination made by the SDR of the claims in the receivership based upon the information provided in the POC and any additional information requested and received or discovered in the books and records of the company.

10

Balance represents a final determination made by the SDR of the claims in the receivership based upon the information provided in the POC and any additional information requested and received or discovered in the books and records of the company.

14

Balance represents amounts stated by the claimant or approved by the SDR on filed proof of claims for possible General Unsecured Creditor Claims. These amounts are based solely on information provided with the initial proof of claim and are not to be considered as approved claims in the receivership. A final determination of the approved claim amounts will be made by the SDR if this class will receive a distribution.

**San Antonio Indemnity Company  
Statement of Net Liabilities**

**For Period Ending  
11/30/20**

15

Balance represents amounts stated by the claimant or approved by the SDR on filed proof of claims for possible Reinsurance Related Unsecured Claims. These amounts are based solely on information provided with the initial proof of claim and are not to be considered as approved claims in the receivership. A final determination of the approved claim amounts will be made by the SDR if this class will receive a distribution.

18

Balance represents amounts stated by the claimant on filed proof of claims for possible Late Filed - Unexcused Claims. These amounts are based solely on information provided with the initial proof of claim and are not to be considered as approved claims in the receivership. A final determination of the approved claim amounts will be made by the SDR if this class will receive a distribution.

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**Exhibit C**  
**San Antonio Indemnity Company**  
**Sources & Uses of Cash**

**For Period Ending**  
**11/30/20**

	<b>Qtr Ending</b> <b>Nov-20</b>
<b>Income</b>	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	0
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
<b>Total Receipts from Assets/Receivables</b>	<b>0</b>
Interest & Dividend Receipts, EA Interest	242
Cash Deposit Interest	106
<b>Total Cash Receipts</b>	<b>348</b>
<b>Disbursements</b>	
SDR Fees & Expenses	45,701
Subcontractor Legal Fees & Expenses	16,684
Subcontractor Other Fees & Expenses	8,310
Non-Subcontractor Fees & Expenses	4,210
Other Expenses	1,309
RLO Fees & Expenses	1,378
<b>Total Disbursements for Operations</b>	<b>77,592</b>
Loss Claims & LAE Expense Payments	1,164,538
Early Access Payments - GA	0
Refunds & Other Distributions	0
<b>Total Cash Distributions</b>	<b>1,164,538</b>
<b>Total Cash Disbursements &amp; Distributions</b>	<b>1,242,130</b>
<b>Net Increase(Decrease) in Cash</b>	<b>(1,241,782)</b>
<b>Cash at Beginning of Period</b>	<b>1,241,782</b>
<b>Cash at End of Period</b>	<b>0</b>

**Exhibit D**

**R-556**

**San Antonio Indemnity Company  
Final Statement of Expenses**

**For Period Ending  
11/30/20**

	<b>Total Sep</b>	<b>Total Oct</b>	<b>Total Nov</b>	<b>Total Quarter</b>
<b>SDR</b>				
Milford Consulting LLC				
SDR	11,950.50	3,549.50	10,887.98	26,387.98
SDR - Claim Services	1,404.00	192.00	12.00	1,608.00
SDR - Financial Report Review	336.00	96.00	108.00	540.00
Receivership Specialist II	2,696.00	480.00	1,696.00	4,872.00
Receivership Specialist III	1,628.00	143.00	1,787.50	3,558.50
Receivership Accountant	1,512.00	283.50	1,722.00	3,517.50
Clerical	21.00	48.00	39.00	108.00
Expenses	782.33	32.82	124.79	939.94
<b>Total SDR Billing</b>	<b>20,329.83</b>	<b>4,824.82</b>	<b>16,377.27</b>	<b>41,531.92</b>
<b>SDR Subcontractors - Legal</b>				
Welton, Amy Jeanne, Attorney at Law				
Owner/Attorney	6,300.00	3,920.00	4,020.00	14,240.00
Expenses	0.00	0.00	0.00	0.00
<b>Total Billing</b>	<b>6,300.00</b>	<b>3,920.00</b>	<b>4,020.00</b>	<b>14,240.00</b>
Wisener Nunnally Roth, LLP				
Owner/Attorney	600.00	0.00	0.00	600.00
Expenses	0.00	0.00	0.00	0.00
<b>Total Billing</b>	<b>600.00</b>	<b>0.00</b>	<b>0.00</b>	<b>600.00</b>
<b>Total Legal Subcontractors</b>	<b>6,900.00</b>	<b>3,920.00</b>	<b>4,020.00</b>	<b>14,840.00</b>
<b>SDR Subcontractors - Other</b>				
ABACI Inc				
Project Manager	38.00	0.00	0.00	38.00
Application Analyst/Developer	342.00	63.00	2,271.52	2,676.52
Expenses	0.00	0.00	0.00	0.00
<b>Total Billing</b>	<b>380.00</b>	<b>63.00</b>	<b>2,271.52</b>	<b>2,714.52</b>
EMKAY Associates Inc				
Owner-Estate Admin/Asset R	28.50	0.00	0.00	28.50
Data Specialist/Technical Sup	544.00	0.00	1,182.50	1,726.50
Expenses	0.00	0.00	0.00	0.00
<b>Total Billing</b>	<b>572.50</b>	<b>0.00</b>	<b>1,182.50</b>	<b>1,755.00</b>
S. Patricia White, CPA, PC				
Owner/CPA	825.00	165.00	1,309.00	2,299.00
Expenses	0.00	0.00	116.73	116.73
<b>Total Billing</b>	<b>825.00</b>	<b>165.00</b>	<b>1,425.73</b>	<b>2,415.73</b>
<b>Total Other SDR Subcontractors</b>	<b>1,777.50</b>	<b>228.00</b>	<b>4,879.75</b>	<b>6,885.25</b>

	<b>Total Sep</b>	<b>Total Oct</b>	<b>Total Nov</b>	<b>Total Quarter</b>
<b>Receivership Service Providers</b>				
Safesite Inc	85.00	85.00	1,740.15	1,910.15
Safeshred, Inc.	0.00	0.00	385.00	385.00
Haynie & Company	0.00	1,296.25	1,982.50	3,278.75
Operating Account	0.00	0.00	55.28	55.28
Texas Treasury	30.10	29.50	30.00	89.60
<b>Total Other</b>	<b>115.10</b>	<b>1,410.75</b>	<b>4,192.93</b>	<b>5,718.78</b>
<b>Sub-Total SDR, Subcontractor &amp; Provider Expenses</b>				
<b>Sub-Total SDR, Subcontractor &amp; Provider Expenses</b>	<b>29,122.43</b>	<b>10,383.57</b>	<b>29,469.94</b>	<b>68,975.94</b>
<b>Liquidation Oversight Allocation</b>				
RLO Allocation	430.41	0.00	84.00	514.41
Special Master's Fees	0.00	0.00	0.00	0.00
<b>Total RLO &amp; SM Expense</b>	<b>430.41</b>	<b>0.00</b>	<b>84.00</b>	<b>514.41</b>
<b>Total Expenses</b>	<b>29,552.84</b>	<b>10,383.57</b>	<b>29,553.94</b>	<b>69,490.35</b>

**Exhibit E  
Final Distribution Schedule**

POC No.	Claimant	Plaintiff in Care of Attorney(s)	Court Approval Date	Amount Allowed	Gross Distribution Percentage	Gross Distribution	Previous Distribution	Projected Distribution	Amount of Distribution Check	Check #	Date of Check	Payee for Check	Date Check Cleared
<b>Class 1 Claim</b>													
16.1	TPCIGA		11/13/2020	\$1,148,907.44	100%	\$1,148,907.44	\$1,148,907.44	\$0.00					
			<b>Total Class 1 Claims</b>	<b>\$1,148,907.44</b>		<b>\$1,148,907.44</b>	<b>\$1,148,907.44</b>	<b>\$0.00</b>					
<b>Class 2 Claims</b>													
16.2	TPCIGA		11/13/2020	\$2,174,887.15	98.04%	\$2,132,227.10	\$967,689.56	\$1,164,537.54	\$ 1,164,537.54	Wire	Pending	Texas Property and Casualty Insurance Guaranty Association	
1	Allen Law Firm / Greg Allen		11/13/2020	\$1,027.50	98.04%	\$1,007.35	\$ -	\$1,007.35	\$ 1,007.35	241014939	11/30/2020	Allen Law Firm/Greg Allen	Cashier's Check
35	Individual Claimant		11/13/2020	\$5.00	98.04%	\$4.90	\$ -	\$4.90	\$ 4.90	241014940	11/30/2020	Individual Claimant	Cashier's Check
			<b>Total Class 2 Claims</b>	<b>\$2,175,919.65</b>		<b>\$2,133,239.35</b>	<b>\$967,689.56</b>	<b>\$1,165,549.79</b>					
			<b>Total Class 1 and Class 2 Claims</b>	<b>\$3,324,827.09</b>		<b>\$3,282,146.79</b>	<b>\$2,116,597.00</b>	<b>\$1,165,549.79</b>					

**TRANSFER AND ASSIGNMENT OF KNOWN AND  
UNKNOWN ASSETS TO THE COMMISSIONER**

STATE OF TEXAS

§  
§  
§  
§  
§

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF HAYS

**I. BACKGROUND**

1. Milford Consulting, LLC is the Special Deputy Receiver to the Commissioner of Insurance in his capacity as Receiver of San Antonio Indemnity Company (SDR, Receiver, and SAIC, respectively). SAIC was placed into receivership on October 31, 2013, in *State of Texas v. San Antonio Indemnity Company*, Cause No. D-1-GV-13-001153 in the 201<sup>st</sup> Judicial District Court of Travis County, Texas. The SDR has filed an *Final Accounting and Application to Terminate Receivership, Dissolve Charter, and Discharge Receiver and Special Deputy Receiver (Application)* with the District Court.

2. The SDR is authorized to transfer all right, title, and interest to the assets all known and unknown non-cash assets to the Commissioner of Insurance (Commissioner) at the closing of the SAIC receivership estate, pursuant to Tex. Ins. Code Ann. § 443.352.

3. The SDR's *Application* presents the report for the final distribution of all known assets as well as disposal of any remaining insurer records that are no longer required to be maintained or transferred. The SDR is assigning any unknown assets and two defaulted securities with no known value to the Commissioner as detailed below.

**II. ASSIGNMENT**

4. The SDR, on behalf of the Commissioner as Receiver of SAIC, transfers and assigns all right, title, and interest to any and all unknown assets and two defaulted

securities with CUSIP numbers 370ESC816 and 370ESCAZ8 to the Commissioner or his successors (Assignment). The Assignment includes, but is not limited to, property, causes of action, judgments, claims of SAIC or its predecessors and former subsidiaries, potential claims, suits, demands, charges or grievances of any kind or character, regardless of the nature or extent, whether arising in tort, contract, by statute or otherwise, and include claims of breach of fiduciary duty, constructive fraud and fraud. The unknown assets assigned include those that may exist now or that may arise in the future.

5. This Assignment is intended to grant full authority to convey, transfer, assign, and sell all assets of the SAIC receivership estate. This Assignment is intended to grant the authority to demand and receive payments, to pursue causes of action, and to execute on judgments entered on behalf of the SAIC receivership estate. This Assignment grants authority to compromise and settle any assets of the SAIC receivership estate, and to grant discharges or releases as required. It is the intent of the parties to this Assignment to convey to the Commissioner all legal and equitable rights held by the SAIC receivership estate, whether or not specifically identified herein.

### **III. DISTRIBUTION OF ASSETS**

6. If any assets are recovered and it is economically feasible to distribute these assets, the Commissioner shall distribute these assets to the Class 2 creditors, as detailed in the *Application*, up to the remaining amount that is owed to the Class 2 creditors. The Commissioner shall deduct the administrative costs of distribution prior to making the distribution of assets.

7. This Assignment constitutes the entire agreement of the parties, and the parties expressly agree that its terms supersede any other agreements or understandings

with respect to the subject matter of this Assignment. This Assignment shall not waive, release, or otherwise affect any liabilities or obligations of any party to SAIC.

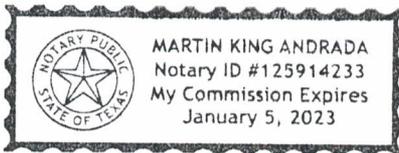
8. The laws of the State of Texas govern this Assignment, and sole venue and jurisdiction for action relating to this Assignment shall be in Travis County, Texas.

9. The Commissioner shall have the authority to execute any and all documents necessary to effectuate this Assignment. The Special Deputy Receiver has requested the 201<sup>st</sup> Judicial District Court to approve this Assignment in its *Application*.

Witness my hand this 30<sup>th</sup> day of November, 2020.

  
Kathy Milford, President of Milford Consulting LLC as Special Deputy Receiver of San Antonio Indemnity Company

SWORN AND SUBSCRIBED BEFORE ME by Kathy Milford, President of Milford Consulting LLC, as Special Deputy Receiver of San Antonio Indemnity Company, on this 30<sup>th</sup> day of November, 2020.



  
Notary Public

My Commission Expires: 1/5/2023

Cause No. D-1-GV-13-001153

THE STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
Plaintiff	§	
	§	
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
	§	
SAN ANTONIO INDEMNITY COMPANY,	§	
Defendant	§	201st JUDICIAL DISTRICT

**ORDER APPROVING FINAL ACCOUNTING AND APPLICATION TO TERMINATE RECEIVERSHIP, DISSOLVE CHARTER, AND DISCHARGE RECEIVER AND SPECIAL DEPUTY RECEIVER**

On this day the Court considered the *Final Accounting and Application to Terminate Receivership, Dissolve Charter, and Discharge Receiver and Special Deputy Receiver (Application)* filed by Milford Consulting, LLC as Special Deputy Receiver of San Antonio Indemnity Company (SAIC and Special Deputy Receiver, respectively). The *Application* requests an order pursuant to Tex. Ins. Code §§ 443.153(e) and 443.352, dissolving SAIC’s charter, terminating the receivership estate proceeding, and discharging the Receiver and Special Deputy Receiver of SAIC. The Special Deputy Receiver appeared by and through its counsel. The Texas Property and Casualty Insurance Guaranty Association also appeared through its counsel of record. Although duly and timely notified of the *Application*, no one else appeared on behalf of any other party in interest.

In accordance with the *Order of Reference to Master (Order of Reference)* entered on October 31, 2013, the *Application* was properly submitted to the Master appointed in this cause (Master). The Master has issued a report pursuant to Rule 171 of the Texas Rules of Civil Procedure, which is incorporated herein, finding and recommending as follows:

1. Notice of the hearing by submission on the *Application* was (i) served on parties in interest as defined in Tex. Ins. Code § 443.004(a)(17) and was proper, and (ii) was made in accordance with the notice requirements of Tex. Ins. Code § 443.007 and the *Order of Reference*, and
2. The SDR's Application should be granted in all respects.

Having considered the pleadings, the evidence submitted, and the recommendation of the Master, the Court accepts the Master's report, and grants the *Application*.

It is therefore **ORDERED, ADJUDGED and DECREED** that:

1. The *Application* is approved in all respects;
2. Exhibits A, B, C, D, E, and F are admitted into evidence;
3. The facts contained in the Application and Exhibits A-F are admitted into evidence as prima facie proof of the matters;
4. Exhibits B, C, and D are approved as the anticipated final financial statements for the receivership estate;
5. The charter of SAIC is dissolved;
6. This proceeding is terminated;
7. The Commissioner of Insurance, as Receiver of SAIC, is discharged from all duties in this proceeding, and the Receiver's predecessors were previously discharged from their duties in this proceeding;
8. Milford Consulting, LLC, as the Special Deputy Receiver of SAIC, is discharged from all duties in this proceeding ;
9. All right, title, and interest to securities owned by SAIC with CUSIP numbers 370ESC816 and 370ESCAZ8, and any and all unknown assets of SAIC described in

Exhibit F to the Application, are transferred to the Commissioner of Insurance in accordance with Tex. Ins. Code § 443.352.

10. This Order constitutes a final judgment resolving all matters relating to the *Application*; and
11. The Special Deputy Receiver is authorized to execute any documents as necessary to effectuate purposes of the *Application* and this Order.

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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TIM SULAK  
DISTRICT JUDGE PRESIDING

## CERTIFICATE OF SERVICE

I certify that pursuant to the *Order of Reference to Master*, Texas Rules of Civil Procedure, and Tex. Ins. Code Ann. § 443.007(d), on November 30, 2020, a true and correct copy of the *Final Accounting and Application to Terminate Receivership, Dissolve Charter, and Discharge Receiver and Special Deputy Receiver* was served on all interested parties by email.

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