

NO. D-1-GV-09-000007

THE STATE OF TEXAS	§	IN THE DISTRICT COURT OF
	§	
VS.	§	TRAVIS COUNTY, TEXAS
	§	
SOUTHERN STAR TITLE	§	
COMPANY, LLC	§	53RD JUDICIAL DISTRICT

**APPLICATION FOR APPROVAL OF FEES & EXPENSES**

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW Jennifer Ramsey, PC, Special Deputy Receiver of Southern Star Title Company, LLC (“SDR” and “Southern Star,” respectively), and files this *Application for Approval of Fees & Expenses* (“Application”), and in support thereof would respectfully show the Court as follows:

**I. BACKGROUND**

1.1 Southern Star was placed in receivership for the purposes of liquidation in this proceeding on January 8, 2009. The Court entered an *Agreed Order Appointing Liquidator and Permanent Injunction* on January 8, 2009, appointing the Texas Commissioner of Insurance as Liquidator. The Liquidator designated Jennifer Ramsey, PC, as SDR of Southern Star on March 26, 2009.

1.2 The subject matter of this Application has been referred to the Special Master appointed in this proceeding in accordance with Section III of the Order of Reference to Master entered on January 26, 2009.

**II. STATUTORY AUTHORITY**

2.1 Under TEX. INS. CODE ANN. § 443.154, the SDR has all the powers of the Liquidator, unless specifically limited by the Liquidator; therefore, the SDR is authorized to file this Application

pursuant to TEX. INS. CODE ANN. § 443.015, which provides for the approval of the SDR's expenses and compensation by the Court.

### **III. BASIS FOR APPLICATION**

3.1 TEX. INS. CODE ANN. § 443.015 (c)(1) requires the Liquidator to submit an application for the approval of the terms of compensation of an SDR or contractor when the Liquidator reasonably expects that the total amount of compensation to be paid over the course of the proceeding will exceed Two Hundred, Fifty Thousand Dollars (\$250,000), or such another amount established by the Court. In addition, TEX. INS. CODE ANN. § 443.015 (d) permits the Liquidator, at its discretion, to submit an application to approve any compensation, anticipated expenses, or incurred expenses not described by Subsection (c)(1).

3.2 Given the uncertainties associated with the future administration of this proceeding, it is difficult to predict whether the total compensation for the SDR or any contractor will exceed \$250,000. In addition, it is anticipated that a number of the SDR's contractors will be paid less than \$250,000. To insure compliance with the provisions of TEX. INS. CODE ANN. § 443, the SDR requests the Court to approve all terms of compensation for the SDR and all of its contractors pursuant to TEX. INS. CODE ANN. § 443.015 (d). The rates for compensation for the SDR and its contractors are shown on Exhibit A, which is attached hereto and incorporated by reference. These rates have been approved by the Liquidator in accordance with TEX. INS. CODE ANN. § 443.102 (a).

3.3 TEX. INS. CODE ANN. § 443.015(c)(2) also requires the Liquidator to submit an application for the approval of any anticipated expenses not otherwise covered under § 443.015(c)(1) in excess of Twenty-Five, Thousand Dollars (\$25,000), or another amount established by the Court. The SDR does not anticipate that any single expense will exceed \$25,000 in this

proceeding. If the SDR determines that an expense will exceed \$25,000, it will submit an application for approval in accordance with TEX. INS. CODE ANN. § 443.015.

3.4 TEX. INS. CODE ANN. § 443.015 (g) provides that on a quarterly basis, or as otherwise provided by this Court, the Liquidator shall submit to the Court a summary of expenses incurred during the period. The SDR requests the Court to establish quarterly reporting periods that coincide with the State of Texas fiscal year beginning on September 1, 2009. The SDR further requests that such reports be filed by the 15th day of the month following the end of the quarterly reporting period.

**PRAYER**

WHEREFORE PREMISES CONSIDERED, the SDR respectfully requests this Court to grant this Application, and grant such further relief to which it may show itself to be justly entitled.

Respectfully submitted,

BRIAN E. RIEWE, P.C.  
4408 Spicewood Springs Rd.  
Austin, Texas 78759  
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Facsimile: 512/236-9966

Brian E. Riewe  
State Bar No. 16915600

Gregory C. Douglass  
State Bar No. 06049200

*Brian E. Riewe*

By: \_\_\_\_\_

Attorneys for the Special Deputy Receiver

## APPLICANT'S NOTICE OF SUBMISSION

Pursuant to the terms of the *Order of Reference to Master* entered by the District Court in this cause, the *Application for Approval of Fees and Expenses* is hereby set for written submission before the Special Master, Tom Collins, on **Monday, February 22, 2010**.

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 such date on:
  - (a) The Special Master's Docket Clerk, Ms. Jean Sustaita, Texas Department of Insurance, (**Hand Delivery**) 333 Guadalupe, Hobby Tower 3, Room 550, Austin, Texas; or (**Mail To**) P. O. Box 149104, Austin, Texas 78714-9104
  - (b) All interested parties, including 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.

*Brian E. Riewe*

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Brian E. Riewe

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served on all interested parties in accordance with the Texas Rules of Civil Procedure and TEX. INS. CODE ANN. § 443.007(d) this 8th day of February 2010.

Mr. Tom Collins, Special Master  
by serving his Docket Clerk, Ms. Jean Sustaita  
Texas Department of Insurance  
333 Guadalupe, Tower III, 5th Fl., MC-305-1D  
Austin, Texas 78701  
VIA FACSIMILE: 512/490-1023  
Email: jean.sustaita@tdi.state.tx.us

Ms. John Walker  
Ms. Leanne Layne  
Ms. Rachel Giani  
Texas Department of Insurance  
P.O. Box 149104  
Austin, Texas 78714  
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VIA FACSIMILE: 512/475-1843  
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Ms. Karen Pettigrew, Asst. Attorney General  
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Mr. Burnie Burner  
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McAllen, Texas 78501-4822  
VIA FACSIMILE: 956/682-0820  
Email: eor@ekrattorneys.com

*Brian E. Riewe*

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Brian E. Riewe

**Rates for Compensation  
Southern Star Title Company, LLC – R543**

**Special Deputy Receiver and Staff:**

**Jennifer Ramsey, PC**

Special Deputy Receiver /Administrative	\$195.00
Special Deputy Receiver/Attorney	225.00
Receivership Specialist/Administrative	125.00
Receivership Specialist/Attorney	155.00
Receivership Assistant/Legal Assistant	45.00
Clerical	25.00

**Subcontractors:**

**Balboa Services, Ltd. Co.**

Accountant/CPA	105.00
Accountant	85.00
Accountant Assistant	30.00
Web Design	50.00

**Kevin Preston**

Accountant	105.00
Accountant Assistant	30.00

**The Warren Group**

Accountant	150.00
Tax Returns	1,950.00

(Flat fee per return)

**Legal Services**

**Brian E. Riewe, P.C.**

Estate Counsel	225.00
Attorney Arbitration/Litigation	250.00
Associate Attorney	175.00
Paralegal	80.00
Administrative Assistant	25.00

**Barron, Newburger & Sinsley, PLLC**

Attorney	250.00
Paralegal	90.00

**Petty & Petty, LLP**

Attorney	185.00
Attorney	175.00
Paralegal	85.00

**Shackelford Melton & McKinley**

Attorney	200.00
Legal Assistant	75.00