

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 15th day of June 2010.

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R-543

**Southern Star Title Company, LLC, in Receivership
Statement of Expenses**

**For Period Ending
05/31/10**

	Total March	Total April	Total May	Total Quarter
SDR				
Jennifer Ramsey, PC				
SDR	0.00	0.00	0.00	0.00
SDR	4,582.50	3,471.00	1,345.50	9,399.00
Paralegal	22.50	22.50	0.00	45.00
Attorney	87.50	0.00	162.50	250.00
Paralegal	945.00	382.50	150.00	1,477.50
Clerk	0.00	2.50	0.00	2.50
Expenses	66.99	38.90	10.97	116.86
Total SDR Billing	5,704.49	3,917.40	1,668.97	11,290.86
SDR Subcontractors - Legal				
Brian E Riewe, PC				
Attorney	810.00	675.00	1,057.50	2,542.50
Attorney	100.00	100.00	350.00	550.00
Paralegal	440.00	312.00	376.00	1,128.00
Paralegal	10.00	0.00	5.00	15.00
Attorney	787.50	2,065.00	1,627.50	4,480.00
Expenses	12.69	684.20	1.58	698.47
Total Billing	2,160.19	3,836.20	3,417.58	9,413.97
Total Legal Subcontractors	2,160.19	3,836.20	3,417.58	9,413.97
SDR Subcontractors - Other				
Balboa Services, Ltd Co				
Accountant	0.00	1,870.00	935.00	2,805.00
Accountant	0.00	640.50	199.50	840.00
IT Administrator	0.00	330.00	0.00	330.00
Expenses	0.00	58.77		58.77
Total Billing	0.00	2,899.27	1,134.50	4,033.77
The Warren Group				
Accountant	0.00	0.00	0.00	0.00
Accountant	0.00	0.00	0.00	0.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	0.00	0.00	0.00	0.00
Total Other SDR Subcontractors	0.00	2,899.27	1,134.50	4,033.77

Receivership Service Providers

Wells Fargo	13.55	10.00	0.00	23.55
Texas Treasury	0.00	13.93	0.00	13.93
Harper & Pearson	10,875.00	0.00	0.00	10,875.00
Postmaster	28.00	0.00	0.00	28.00
United States Treasury	720.00	0.00	0.00	720.00
Total Other	11,636.55	23.93	0.00	10,912.48

Liquidation Oversight Allocation

RLO Allocation	3,963.76	1,279.50	717.78	5,961.04
Special Master's Fees	2.66	58.50	0.00	61.16
Total RLO & SM Expense	3,966.42	1,338.00	717.78	6,022.20
Total Expenses	23,467.65	12,014.80	6,938.83	41,673.28

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**Southern Star Title Company, LLC, in Receivership
Statement of Net Assets**

**For the Period Ending
05/31/10**

Line		08/31/10
Cash		
1	Cash - Unrestricted	
Investments		
2	Short-Tem Investments	
3	Bonds, Preferred Stocks & Common Stocks	
4	Investments in Subsidiaries, Controlled or Affiliated Entities	
	Allowance for Collectability	
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	
18	Total Unrestricted Assets	0
19	Total Restricted Assets	0
19A	Net Assets not Categorized	
20	Total Assets	0

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**Southern Star Title Company, LLC, in Receivership
Statement of Net Assets**

**For the Period Ending
05/31/10**

NOTES

Ref No.

4 This item represents a \$582.00 note to an employee Cynthia Garcia and a \$485,626.05 escrow shortage with the obligation going to Ibanez. An allowance has been set up for the \$485,626.05 owed by Ibanez. This amount is in litigation and may reflect only a portion of the total due from him. This entry is based on the amount the company booked pre-receivership and the SDR is investigating the entry and the amount may subsequently be adjusted based on the results of that investigation.

15.1 This item is an estimate of the value of computer equipment

R-543 Southern Star Title Company, LLC, in Receivership
Changes in Net Assets

For Period Ending
05/31/10

Line		Qtr Ending 02/28/10	Qtr Ending 05/31/10	Change
Cash				
1	Cash - Unrestricted	272,429	159,714	(112,715)
Investments				
2	Short-Tem Investments			0
3	Bonds, Preferred Stocks & Common Stocks			0
4	Investments in Subsidiaries, Controlled or Affiliated Entities	490,208	486,208	(4,000)
	Allowance for Collectability	(489,626)	(485,626)	4,000
5	Mortgage Loans			0
6	Real Estate			0
7	Policy Loans			0
8	Other Invested Assets			0
Reinsurance				
9.1	Reinsurance Recoverables on Paid Losses & LAE			0
9.1A	Allowance for Reinsurance on Paid Losses & LAE			0
9.2	Reinsurance Recoverables on Unpaid Losses & LAE			0
9.2A	Allowance for Reinsurance on Unpaid Losses & LAE			0
9.3	Reinsurance Recoverables on UEP & Contingent Commissions			0
Receivables				
10	Salvage & Subrogation Recoveries			0
11	Premiums Due & Accrued from Agents & Policyholders			0
12	Receivable from Parents, Subsidiaries & Affiliates			0
13	Accrued Investment Income			0
14	Receivable from Guaranty Associations - Early Access Payments			0
Other Assets				
15.1	FF&E	2,500	2,500	0
15.2	Prepaid Expenses			0
16	Other Assets			0
Restricted Assets				
17.1	Restricted - Statutory Deposits			0
17.2	Restricted - Funds held by or deposited with Reinsured Companies			0
17.3	Restricted - Separate Accounts & Protected Cell Accounts			0
17.4	Restricted - Other			0
18	Total Unrestricted Assets	275,511	162,796	(112,715)
19	Total Restricted Assets	0	0	0
19A	Net Assets not Categorized			0
20	Total Assets	275,511	162,796	(112,715)

4 Difference represents funds recovered from Roy Ibanez by

Southern Star Title Company, LLC, in Receivership
Statement of Net Liabilities

For Period Ending
05/31/10

Line		Class	05/31/10
1	Secured Claims	1	18,099
2	Special Deposit Claims	1	
Administrative			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	16,874
	Liquidation Oversight & Special Master's Fees	1	2,056
	Unsecured Loans	1	403,000
4	Administrative Claims - Guaranty Assns	1	
	Claims Paid		
	Reserves		
5	LAE - Guaranty Assns	1	
	Claims Paid		
	Reserves		
Loss Claims			
6	Loss Claims - Guaranty Assns	2	
	Loss Claims Paid		193,913
	Reserves		
7	Loss Claims - Other	2	
	Loss Claims Paid		
	Reserves		
8	LAE - Other	2	
9	Unearned & Advance Premium Claims (Non Assessable Policies) - GA	2	
10	Unearned & Advance Premium Claims (Non Assessable Policies) - Other	2	
18	Unearned Premium Claims (Assessable Policies) - GA	2	
Other Creditors			
11	Federal Government Claims	3	145,741
12	Employee Claims	4	6,027
13	General Unsecured Creditor Claims (Other than Reinsurance Related)	5	125,886
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	176
	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	165,145
21	Other Liabilities		
	Interest	10	
	Other		175,614
22	Total Liabilities		1,252,529
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(1,089,733)
	Total Liabilities & Equity		162,796

**Southern Star Title Company, LLC, in Receivership
Statement of Net Liabilities**

**For Period Ending
05/31/10**

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

- 4 \$403,000 is balance of loans from abandoned property fund
- 6 This item represents payments by TTIGA on escrow Shortage
- 20 Funds due Santo Andrei Investments
- 21 This item is comprised of Escrow funds and payment due TTIGA for

Southern Star Title Company, LLC, in Receivership
Changes in Net Liabilities

For Period Ending
05/31/10

Line		Qtr Ending 02/28/10	Qtr Ending 05/31/10	Change
1	Secured Claims	18,099	18,099	0
2	Special Deposit Claims			0
Administrative				
3	Administrative Claims - State/Receiver			0
	Special Deputy Receiver, Subcontractors Fees & Expenses	90,999	16,874	(74,125)
	Liquidation Oversight & Special Master's Fees	2,431	2,056	(375)
	Unsecured Loans	403,000	403,000	0
4	Administrative Claims - Guaranty Assns			0
	Claims Paid			0
	Reserves			0
5	LAE - Guaranty Assns			0
	Claims Paid			0
	Reserves			0
Loss Claims				
6	Loss Claims - Guaranty Assns			0
	Loss Claims Paid	188,210	193,913	5,703
	Reserves			0
7	Loss Claims - Other			0
	Loss Claims Paid			0
	Reserves			0
8	LAE - Other			0
9	Unearned & Advance Premium Claims (Non Assessable Policies) - GA			0
10	Unearned & Advance Premium Claims (Non Assessable Policies) -			0
18	Unearned Premium Claims (Assessable Policies) - GA			0
Other Creditors				
11	Federal Government Claims	145,741	145,741	0
12	Employee Claims	6,027	6,027	0
13	General Unsecured Creditor Claims (Other than Reinsurance Related)	125,886	125,886	0
14	Ceded Reinsurance Related Unsecured Claims			0
14.1	Assumed Reinsurance Related Unsecured Claims			0
15	State & Local Government Claims			0
	State & Local Governments/Attorneys	176	176	0
	State & Local Governments - Penalties			0
16	Late Filed Claims - Unexcused			0
17	Surplus Notes			0
19	Unearned Premium Claims (Assessable Policies) - Other			0
20	Shareholder Claims	165,145	165,145	0
21	Other Liabilities			0
	Interest			0
	Other	410,244	175,614	(234,631)
22	Total Liabilities	1,555,957	1,252,529	(303,429)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(1,280,446)	(1,089,733)	190,713
	Total Liabilities & Equity	275,511	162,796	(112,715)

21 This balance was reduced to adjust the FNB Escrow deficiency to tie to TTIGA balances

R-543 Southern Star Title Company, LLC, in Receivership
Sources & Uses of Cash

For Period Ending
05/31/10

Line	Qtr Ending May-10
Income	
1 Premium Receipts	0
2 Settlements	4,000
3 Policy Loan Receipts	0
4 Proceeds from Sale of Real or Personal Property	0
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	0
11 Total Operational Receipts	4,000
12 Interest & Dividend Receipts	56
13 Net Cash Provided by Investment Activities	0
14 Total Cash Receipts from Investment Activities	56
15 Total Cash Receipts	4,056
Operational Expenses	
16 Deputy Receiver & Consulting Fees & Expenses	15,608
17 Employee Salaries, P/R Taxes & Employee Benefits	0
18 Rent, Office & Other Facility Expenses	0
19 Legal Fees & Expenses	88,772
20 Accounting & Auditing Fees & Expenses	5,208
21 SGA - Administration Expenses other than LAE	0
22 Ancillary Administration Expenses	6,398
23 Other Disbursements	785
24 Total Operational Disbursements	116,771
Investment Expenses	
25 Investment Expenses	0
26 Purchase of Invested Assets	0
27 Total Disbursements for Investment Activities	0
Claims Paid	
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	116,771
34 Net Increase(Decrease) in Cash	(112,715)
35 Cash at Beginning of Period	272,429
36 Cash at End of Period	159,714