

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 December 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
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
Email: john.walker@tdi.state.tx.us
Email: leanne.layne@tdi.state.tx.us
Email: rachel.giani@tdi.state.tx.us

Ms. Karen Pettigrew, Asst. Attorney General
Attorney General's Office – Financial Litigation
P.O. Box 12548
Austin, Texas 78711-2548
Email: karen.pettigrew@oag.state.tx.us

Ms. Sharon Williams
United States Department of Justice
P.O. Box 875, Ben Franklin Station
Washington, DC 20044-0875
Email: sharon.williams@usdoj.gov

Mr. George Wheeler Madison, General Counsel
Department of the Treasury
1500 Pennsylvania Ave., N.W. Rm 3000
Washington, DC 20220
Email: George.madison@do.treas.gov

Mr. James E. Davis, Atty for Southern Star Title
Locke, Lord, Bissell & Liddell, L.L.P.
100 Congress Avenue, Suite 300
Austin, Texas 78701
Email: jdavis@lockelord.com

Mr. Bruce McCandless
Mr. Burnie Burner
Mitchell, Williams, Selig, Gates & Woodyard
106 E. 6th Street, Suite 300
Austin, Texas 78701
Email: bmccandless@mwlaw.com
Email: bburner@mwlaw.com

Mr. Randall W. Hill
Hill & Villarreal, P.C.
719 S. Shoreline, Suite 300
Corpus Christi, Texas 78401
Email: rhill@hvlegal.com

Mr. Darryl Lemke
Bank of South of Texas
506 E. Dove Avenue
McAllen, Texas 78504
Email: darryl.lemke@bankofsouthtexas.com

Mr. Roy Ibanez, Pro Se
2400 Dorado Dr.
Mission, Texas 78753
Email: ribanez0372@gmail.com

Brian E. Riewe

Brian E. Riewe

R-543

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

**For Period Ending
11/30/10**

	Total Sep	Total Oct	Total Nov	Total Quarter
SDR				
Jennifer Ramsey, PC				
SDR	0.00	0.00	0.00	0.00
SDR	0.00	7,176.00	10,081.50	17,257.50
Paralegal	0.00	0.00	0.00	0.00
Attorney	0.00	1,025.00	0.00	1,025.00
Paralegal	0.00	82.50	225.00	307.50
Clerk	0.00	0.00	0.00	0.00
Expenses	0.00	17.36	45.20	62.56
Total SDR Billing	0.00	8,300.86	10,351.70	18,652.56
SDR Subcontractors - Legal				
Brian E Riewe, PC				
Attorney	202.50	45.00	2,205.00	2,452.50
Attorney	8,875.00	1,000.00	1,150.00	11,025.00
Paralegal	2,952.00	1,128.00	360.00	4,440.00
Paralegal	0.00	0.00	0.00	0.00
Attorney	16,467.50	11,305.00	4,182.50	31,955.00
Expenses	295.69	1,385.17	14.57	1,695.43
Total Billing	28,792.69	14,863.17	7,912.07	51,567.93
Total Legal Subcontractors	28,792.69	14,863.17	7,912.07	51,567.93
SDR Subcontractors - Other				
Balboa Services, Ltd Co				
Accountant	986.00	884.00	756.50	2,626.50
Accountant	336.00	199.50	304.50	840.00
IT Administrator	50.00	0.00	0.00	50.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	1,372.00	1,083.50	1,061.00	3,516.50
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	1,372.00	1,083.50	1,061.00	3,516.50

Receivership Service Providers

Wells Fargo	0.00	0.00	10.00	10.00
Texas Treasury	11.38	0.00	11.38	22.76
USPS	28.00	0.00	0.00	28.00
Brown McCarroll	2,000.00	0.00	0.00	2,000.00
Total Other	2,039.38	0.00	21.38	2,060.76

Liquidation Oversight Allocation

RLO Allocation	778.72	2,570.45	2,410.18	5,759.35
Special Master's Fees	0.00	0.00	31.62	31.62
Total RLO & SM Expense	778.72	2,570.45	2,441.80	5,790.97
Total Expenses	32,982.79	26,817.98	21,787.95	81,588.72

R-543

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

**For the Period Ending
11/30/10**

Line		11/30/10
Cash		
1	Cash	
	Cash - Unrestricted	55,863
	APF Funds	6,135
Investments		
2	Short-Term Investments	
3	Bonds, Preferred Stocks & Common Stocks	
4	Investments in Subsidiaries, Controlled or Affiliated Entities	486,008
	Allowance for Collectability	(485,426)
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	2,500
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	65,080
19	Total Restricted Assets	0
19A	Net Assets not Categorized	
20	Total Assets	65,080

R-543

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

**For the Period Ending
11/30/10**

NOTES

Ref No.

4.00 This item represents a \$582.00 note to an employee Cynthia Garcia and a \$485,426.05 escrow shortage with the obligation going to Ibanez. An allowance has been set up for the \$485,426.05 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.

15.10 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
11/30/10

Line		Qtr Ending 08/31/10	Qtr Ending 11/30/10	Change
Cash				
1	Cash			0
	Cash - Unrestricted	116,639	55,863	(60,776)
	APF Funds		6,135	6,135
Investments				
2	Short-Term Investments			0
3	Bonds, Preferred Stocks & Common Stocks			0
4	Investments in Subsidiaries, Controlled or Affiliated Entities	486,008	486,008	0
	Allowance for Collectability	(485,426)	(485,426)	0
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	119,721	65,080	(54,641)
19	Total Restricted Assets	0	0	0
19A	Net Assets not Categorized			0
20	Total Assets	119,721	65,080	(54,641)

R-543

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

**For Period Ending
11/30/10**

Line		Class	11/30/10
1	Secured Claims	1	24,320
	APF Loan	1	403,000
2	Special Deposit Claims	1	
Administrative			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	34,325
	Liquidation Oversight & Special Master's Fees	1	2,442
	Other Unsecured Loans	1	
4	Administrative Claims - Guaranty Assns	1	
	Claims Paid		
	Reserves		
5	LAE - Guaranty Assns	1	
	Claims Paid		
	Reserves		
Loss Claims			
6	Loss Claims - Guaranty Assns	2	
	Loss Claims Paid		336,813
	Reserves		
7	Loss Claims - Other	2	
	Loss Claims Paid		
	Reserves		
8	LAE - Other	2	50,427
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	128,726
12	Employee Claims	4	7,536
13	General Unsecured Creditor Claims (Other than Reinsurance Related)	5	7,231
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	14,774
	State & Local Governments - Penalties	7	5,826
16	Late Filed Claims - Unexcused	8	7,254
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		1,022,672
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(957,592)
	Total Liabilities & Equity		65,080

R-543

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

**For Period Ending
11/30/10**

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

1 \$403,000 is balance of loans from abandoned property fund

6 This item represents payments by TTIGA on escrow Shortage

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

For Period Ending
11/30/10

Line		Qtr Ending 08/31/10	Qtr Ending 11/30/10	Change
1	Secured Claims	24,320	24,320	0
	APF Loan	403,000	403,000	0
2	Special Deposit Claims			0
Administrative				
3	Administrative Claims - State/Receiver			0
	Special Deputy Receiver, Subcontractors Fees & Expenses	8,605	34,325	25,720
	Liquidation Oversight & Special Master's Fees	1,272	2,442	1,170
	Other Unsecured Loans			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	336,813	336,813	0
	Reserves			0
7	Loss Claims - Other			0
	Loss Claims Paid			0
	Reserves			0
8	LAE - Other	50,427	50,427	0
9	Unearned & Advance Premium Claims (Non Assessable Policies) - GA			0
10	Unearned & Advance Premium Claims (Non Assessable Policies) - Other			0
18	Unearned Premium Claims (Assessable Policies) - GA			0
Other Creditors				
11	Federal Government Claims	128,726	128,726	0
12	Employee Claims	7,536	7,536	0
13	General Unsecured Creditor Claims (Other than Reinsurance Related)	7,231	7,231	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	14,774	14,774	0
	State & Local Governments - Penalties	5,826	5,826	0
16	Late Filed Claims - Unexcused	7,254	7,254	0
17	Surplus Notes			0
19	Unearned Premium Claims (Assessable Policies) - Other			0
20	Shareholder Claims			0
21	Other Liabilities			0
	Interest			0
	Other			0
22	Total Liabilities	995,783	1,022,672	26,890
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(876,061)	(957,592)	(81,531)
	Total Liabilities & Equity	119,721	65,080	(54,641)

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

**For Period Ending
11/30/10**

Line	Qtr Ending Nov-10
Income	
1 Premium Receipts	0
2 Settlements	0
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	20
11 Total Operational Receipts	20
12 Interest & Dividend Receipts	38
13 Net Cash Provided by Investment Activities	0
14 Total Cash Receipts from Investment Activities	38
15 Total Cash Receipts	58
Operational Expenses	
16 Deputy Receiver & Consulting Fees & Expenses	11,191
17 Employee Salaries, P/R Taxes & Employee Benefits	0
18 Rent, Office & Other Facility Expenses	0
19 Legal Fees & Expenses	34,940
20 Accounting & Auditing Fees & Expenses	3,886
21 SGA - Administration Expenses other than LAE	0
22 Ancillary Administration Expenses	4,621
23 Other Disbursements	61
24 Total Operational Disbursements	54,699
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	54,699
34 Net Increase(Decrease) in Cash	(54,641)
35 Cash at Beginning of Period	116,639
36 Cash at End of Period	61,998