

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

**SPECIAL DEPUTY RECEIVER'S SUMMARY STATEMENT OF EXPENSES AND
FINANCIAL REPORT FOR THE PERIOD ENDING FEBRUARY 28, 2011**
(Southern Star Title Company, LLC)

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, Jennifer Ramsey, PC, Special Deputy Receiver under contract to the Liquidator of Southern Star Title Company, LLC ("Southern Star") and pursuant to TEX. INS. CODE ANN. §§ 443.015(g) and 443.016(a) and presents to this Court its *Summary Statement of Expenses and Financial Report for the Period Ending February 28, 2011* for Southern Star. The Summary Statement of Expenses and Financial Report cover the period of December 1, 2010 through February 28, 2011.

Respectfully submitted,

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Brian E. Riewe

By: _____

Attorneys for the Special Deputy Receiver

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 March 2011.

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Brian E. Riewe

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

**For Period Ending
02/28/11**

	Total Dec	Total Jan	Total Feb	Total Quarter
SDR				
Jennifer Ramsey, PC				
SDR	0.00	0.00	0.00	0.00
SDR	2,301.00	3,393.00	2,749.50	8,443.50
Paralegal	0.00	0.00	0.00	0.00
Attorney	0.00	0.00	0.00	0.00
Paralegal	157.50	322.50	210.00	690.00
Clerk	0.00	0.00	0.00	0.00
Expenses	27.56	26.04	616.70	670.30
Total SDR Billing	2,486.06	3,741.54	3,576.20	9,803.80
SDR Subcontractors - Legal				
Brian E Riewe, PC				
Attorney	67.50	1,867.50	540.00	2,475.00
Attorney	250.00	850.00	1,550.00	2,650.00
Paralegal	136.00	1,280.00	680.00	2,096.00
Paralegal	0.00	0.00	0.00	0.00
Attorney	1,277.50	2,520.00	6,947.50	10,745.00
Expenses	10.91	3.00	9.56	23.47
Total Billing	1,741.91	6,520.50	9,727.06	17,989.47
Legal Subcontractor Name				
Attorney	2,133.00	2,754.00	2,187.00	7,074.00
Attorney	1,701.00	(81.00)	3,132.00	4,752.00
Attorney	4,972.50	2,497.50	4,320.00	11,790.00
Attorney	225.00	832.50	157.50	1,215.00
Paralegal	494.00	(266.50)	104.00	331.50
Expenses	0.00	0.00	0.00	0.00
Total Billing	9,525.50	5,736.50	9,900.50	25,162.50
Total Legal Subcontractors	11,267.41	12,257.00	19,627.56	43,151.97
SDR Subcontractors - Other				
Balboa Services, Ltd Co				
Accountant	731.00	1,589.50	1,190.00	3,510.50
Accountant	346.50	462.00	357.00	1,165.50
IT Administrator	50.00	50.00	0.00	100.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	1,127.50	2,101.50	1,547.00	4,776.00

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	1,127.50	2,101.50	1,547.00	4,776.00
Receivership Service Providers				
Wells Fargo	0.00	10.00	85.92	95.92
Texas Treasury	0.00	10.10	0.00	10.10
USPS	0.00	0.00	0.00	0.00
Total Other	0.00	20.10	85.92	106.02
Liquidation Oversight Allocation				
RLO Allocation	1,733.00	1,527.20	1,700.93	4,961.13
Special Master's Fees	0.00	28.18	48.38	76.56
Total RLO & SM Expense	1,733.00	1,555.38	1,749.31	5,037.69
Total Expenses	16,613.97	19,675.52	26,585.99	62,875.48

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

**For the Period Ending
02/28/11**

Line		02/28/11
Cash		
1	Cash	
	Cash - Unrestricted	106,356
	APF Funds	6,127
Investments		
2	Short-Tem Investments	
3	Bonds, Preferred Stocks & Common Stocks	
4	Investments in Subsidiaries, Controlled or Affiliated Entities	484,398
	Allowance for Collectability	(483,816)
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	115,565
19	Total Restricted Assets	0
19A	Net Assets not Categorized	
20	Total Assets	115,565

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

**For the Period Ending
02/28/11**

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

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

For Period Ending
02/28/11

Line		Qtr Ending 11/30/10	Qtr Ending 02/28/11	Change
Cash				
1	Cash			0
	Cash - Unrestricted	55,863	106,356	50,493
	APF Funds	6,135	6,127	(8)
Investments				
2	Short-Tem Investments			0
3	Bonds, Preferred Stocks & Common Stocks			0
4	Investments in Subsidiaries, Controlled or Affiliated Entities	486,008	484,398	(1,610)
	Allowance for Collectability	(485,426)	(483,816)	1,610
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	65,080	115,565	50,485
19	Total Restricted Assets	0	0	0
19A	Net Assets not Categorized			0
20	Total Assets	65,080	115,565	50,485

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

**For Period Ending
02/28/11**

Line		Class	02/28/11
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	39,751
	Liquidation Oversight & Special Master's Fees	1	1,749
	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	5,472
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		1,027,052
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(911,487)
	Total Liabilities & Equity		115,565

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

**For Period Ending
02/28/11**

NOTES

Ref. No.

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

6 This item represents payments by TTIGA on escrow Shortage

1,11,12, These amounts relate to POC's filed and are currently being adjudicated

13,15,16 They may, at this time, reflect liabilities greater than will be approved

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

For Period Ending
02/28/11

Line		Qtr Ending 11/30/10	Qtr Ending 02/28/11	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	34,325	39,751	5,426
	Liquidation Oversight & Special Master's Fees	2,442	1,749	(692)
	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	5,472	(354)
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	1,022,672	1,027,052	4,380
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(957,592)	(911,487)	46,105
	Total Liabilities & Equity	65,080	115,565	50,485

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

**For Period Ending
02/28/11**

Line	Qtr Ending Feb-11
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	108,622
11 Total Operational Receipts	108,622
12 Interest & Dividend Receipts	4
13 Net Cash Provided by Investment Activities	0
14 Total Cash Receipts from Investment Activities	4
15 Total Cash Receipts	108,626
Operational Expenses	
16 Deputy Receiver & Consulting Fees & Expenses	16,579
17 Employee Salaries, P/R Taxes & Employee Benefits	0
18 Rent, Office & Other Facility Expenses	0
19 Legal Fees & Expenses	31,436
20 Accounting & Auditing Fees & Expenses	4,290
21 SGA - Administration Expenses other than LAE	0
22 Ancillary Administration Expenses	0
23 Other Disbursements	5,836
24 Total Operational Disbursements	58,142
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	58,142
34 Net Increase(Decrease) in Cash	50,485
35 Cash at Beginning of Period	61,998
36 Cash at End of Period	112,483