

Special Master's Status Letter Update
April 9, 2010

Receivership of Southern Star Title Company, LLC
Docket No. R-543

Background

- Date of Permanent Injunction: January 8, 2009 (Agreed)
- Name/ Date of Appointment of SDR: Jennifer Ramsey, PC/ March 26, 2009
- Claims Filing Deadline
 - Guaranty Association: March 31, 2010
 - Company Estate: March 31, 2010
- Texas Guaranty Association name & Trigger Date: Texas Title Insurance Guaranty Association triggered January 8, 2009
- Date and amount of last early access/distribution: None.

Statements of Assets and Liabilities (As of 2-28-10)

- \$ 275,511 Total Assets
- \$ 272,429 Cash Assets
- \$ 3,082 Non cash Assets
- \$ 1,555,957 Total liabilities
- \$ 1,280,446 Negative equity

Status and Activity Since Last Status Conference

- Asset Recoveries

An additional \$4,000 in proceeds from sale of real estate by Mr. Ibanez has been recovered.

The SDR reached a mediated settlement of most of its suit against Mr. Ibanez in February, in two parts. Pursuant to the first part of the agreement, the SDR has entered an interlocutory agreed judgment against Ibanez in the amount of \$1,036,214. The TRO and writ of attachment remain in effect and the remaining issues are set for June 1, 2010. Pursuant to the second part of the agreement (which is pending TDI approval), Ibanez is to sell and/or allow foreclosure of certain assets and apply the proceeds to the claims of Falcon Bank and SST. If the transactions are completed, the remaining trial issues will be negligible. If the transactions are not completed, the issues will mainly include the SDR's dispute with Falcon Bank over the relative priority of the parties' rights to Ibanez's assets.

- General Legal Activities

The SDR continues to monitor the litigation related to the ownership and control of stock owned by Ibanez.

- Claims

Both TTIGA's and the SDR's claim filing deadline have passed. TTIGA's summary of claims activity through March 31, 2010 is attached.

The SDR has received 21 proofs of claim and has acknowledged a claim of the IRS without the necessity of the filing of a proof of claim. A summary of the estate claims is also attached.

- Administration

This estate does not involve any significant activities other than as reported above.

Conclusion

- Estate Team Goals to achieve prior to next Status Conference
 - Trial of any remaining issues in Ibanez litigation
 - Collection activities, if needed
 - Process proofs of claim, determine priority, notify claimants of determination and right to object, as appropriate
- Estimated Closing Date of Receivership: September 30, 2011
- Factors Affecting Closing Date and Final Distribution:
 - Asset recovery may be affected by the claims of competing creditors.
 - Collection will be dependent upon the successful sale of real and personal property owned by the company's principal and his other companies.

Southern Star Title

Vendor	POC Received	POC #	Claimed Amount
Air-Plus	3/31/2010	POC #20	1,515.50
America Gonzalez	3/31/2010	POC #19	unstated
American National Insurance Company	3/29/2010	POC #4	6,535.70
Blanca Pro	3/29/2010	POC #5	5,167.96
City of Edinburg	3/30/2010	POC #8	4,824.17
City of McAllen	3/30/2010	POC# 11	104.90
Commonwealth Land Title Insurance Co.	3/31/2010	POC #13	24,539.15
Cynthia Garcia	1/26/2010	POC #1	1,146.02
Dell Computers	3/30/2010	POC #7	24,320.45
Edinburg Consolidated ISD	3/30/2010	POC #10	10,362.99
Faviola Martinez	1/26/2010	POC #2	unstated
Guillermo Pulido	3/31/2010	POC #16	765.00
Hidalgo County Tax	3/31/2010	POC #15	6,524.98
Internal Revenue Service	3/31/2010	POC IRS	128,725.99
LaserLux	3/31/2010	POC #14	1,817.96
Linebarger Goggan Blair & Sampson, LLP	3/30/2010	POC #9	50.05
Locke Lord Bissell & Liddell	3/31/2010	POC #18	19,710.75
LT Holdings, LLC	3/29/2010	POC #6	3,897.00
Miquel Longoria & Maria Garza	3/31/2010	POC #12	unstated
Texas Title Insurance Guaranty Association	3/31/2010	POC #17	238,456.98
United General Title Insurance Co.	3/29/2010	POC#3	240,514.22
Westwind Development GP-RGV, LLC	3/31/2010	POC #21	142,900.00
			861,879.77

**Summary of Claims & Payments
for
Southern Star Title Company, LLC, in Liquidation**

As of March 31, 2010

Type of Amount	Amount	No.
Total Amount Claimed	\$ 339,233.85	11
Rejected	\$ 1,668.33	1
Paid	\$ 192,165.52	6
Pending	\$ 145,400.00	4
Approved Pending Release	\$ 0.00	0