

Respectfully submitted,

By: /s/ Christopher Fuller

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solely in its capacity as the Special Deputy Receiver
of Guardian Fidelity Title Co., *et al.*

And

By: /s/ Jo Ann Howard

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CERTIFICATE OF SERVICE

I certify that on March 15, 2010, a true and correct copy of this Report was served pursuant to the Order of Reference, the Texas Rules of Civil Procedure, the Court's order on electronic service, and TEX. INS. CODE ANN. §§ 443.007 (d) and 443.303(e) on the following.

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Guardian Fidelity Title Company Ltd et al In Receivership
Statement of Expenses

For Period Ending
02/28/10

		Total Dec	Total Jan	Total Feb	Total Quarter
SDR					
Cantilo and Bennett, LLP					
	SDR	14,565.00	15,510.00	12,495.00	42,570.00
	Receivership Specialist	1,656.00	0.00	180.00	1,836.00
	Receivership Specialist	909.00	459.00	585.00	1,953.00
	Receivership Specialist			162.50	162.50
	Partner	30.00			30.00
	Expenses		168.00	57.11	225.11
	Total SDR Billing	17,160.00	16,137.00	13,479.61	46,776.61
SDR Subcontractors - Legal					
Jo Ann Howard & Associates, P.C.					
	Senior Legal Specialist	2,200.00	1,000.00	1,260.00	4,460.00
	Paralegal	108.00	0.00	0.00	108.00
	Expenses	7.24	120.00	0.00	127.24
	Total Billing	2,315.24	1,120.00	1,260.00	4,695.24
	Total Legal Subcontractors	2,315.24	1,120.00	1,260.00	4,695.24
SDR Subcontractors - Other					
ABACI INC.					
	Project Manager				0.00
	Technical Manager	200.00	80.00	176.00	456.00
	Expenses				0.00
	Total Billing	200.00	80.00	176.00	456.00
EMKAY Associates, Inc.					
	Claims Manager	76.50	221.00	153.00	450.50
	Claims Representative	169.00	240.50	975.00	1,384.50
	Claims Representative	0.00		56.00	56.00
	Claims Representative	0.00		7.50	7.50
	Administration	85.50	738.00	252.00	1,075.50
	Administration	0.00	32.50	17.50	50.00
	Administration			31.50	31.50
	Expenses	0.00	58.50		58.50
	Total Billing	331.00	1,290.50	1,492.50	3,114.00
Portia Haggerty PC					
	CPA Principal	870.00	570.00	532.50	1,972.50
	Expenses	28.66	1.12	4.50	34.28

	Total Billing		898.66	571.12	537.00	2,006.78
	Petrosewicz & Company, Inc.					
	CPA Principal		30.00			30.00
	Staff Accountant		612.00	1,032.00	396.00	2,040.00
	Expenses					0.00
	Total Billing		642.00	1,032.00	396.00	2,070.00
	Total Other SDR Subcontractors		2,071.66	2,973.62	2,601.50	7,646.78
	Receivership Service Providers					
	Receivership Service Provider Name					
	Moving & Storage		347.95	0.00	695.90	1,043.85
	Surety Bond					0.00
	Expenses					
			347.95	0.00	695.90	1,043.85
	Operating Account		15.16		0.00	15.16
	Texas Treasury			0.00	0.00	0.00
	Total Other		363.11	0.00	695.90	1,059.01
	Liquidation Oversight Allocation					
	RLO Allocation		1,382.27	1,660.79	0.00	3,043.06
	Special Master's Fees		0.00	0.00		0.00
	Total RLO & SM Expense		1,382.27	1,660.79	0.00	3,043.06
	Total Expenses		23,292.28	21,891.41	18,037.01	63,220.70

R- 540 Guardian Fidelity Title Company Ltd et al In Receivership
Statement of Net Assets

For the Period Ending
02/28/10

Line	
Cash	
1	Cash - Unrestricted
Investments	
2	Short-Tem Investments
3	Bonds, Preferred Stocks & Common Stocks
4	Investments in Subsidiaries, Controlled or Affiliated Entities
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
19	Total Restricted Assets
19A	Net Assets not Categorized
20	Total Assets

NOTES

Ref No.

Source for Harris County tax refund not yet determined (operations
1 or escrow related)

17.4 Escrow bank account balances restricted for future escrow claim
1st Community Bank
Amegy Bank
Prosperity Bank
Regions Bank
Wells Fargo Bank
Frost Bank

R- 540 Guardian Fidelity Title Company Ltd et al In Receivership
Changes in Net Assets

For Period Ending
02/28/10

Line		Qtr Ending 02/28/10	Change
Cash			
1	Cash - Unrestricted	39,937	(25,187)
Investments			
2	Short-Tem Investments		0
3	Bonds, Preferred Stocks & Common Stocks		0
4	Investments in Subsidiaries, Controlled or Affiliated Entities		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		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	831,436	(1)
18	Total Unrestricted Assets	39,937	(25,187)
19	Total Restricted Assets	831,436	(1)
19A	Net Assets not Categorized		0
20	Total Assets	871,373	(25,188)

R- 540 Guardian Fidelity Title Company Ltd et al In Receivership
Statement of Net Liabilities

For Period Ending
02/28/10

Line		Class	02/28/09
1	Secured Claims	1	829,400
2	Special Deposit Claims	1	
Administrative			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	79,530
	Liquidation Oversight & Special Master's Fees	1	30,831
	Unsecured Loans	1	425,610
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		
	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	29,574
12	Employee Claims	4	106,906
13	General Unsecured Creditor Claims (Other than Reinsurance Related)	5	2,711,991
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	40,688
	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	
21	Other Liabilities		
	Interest	10	
	Other		
22	Total Liabilities		4,254,530
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(3,383,157)
	Total Liabilities & Equity		871,373

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

13	Bank overdrafts, term and line of credit loans and underwriting fees due	
	Amegy Bank	1,512,432
	Prosperity Bank	371,232
	Regions Bank	541,481
	Southern Title Ins Co	286,845
		<u>2,711,991</u>

**Guardian Fidelity Title Company Ltd et al In Receivership
Changes in Net Liabilities**

**For Period Ending
02/28/10**

Line		Qtr Ending 02/28/10	Change
1	Secured Claims	829,400	0
2	Special Deposit Claims		0
Administrative			
3	Administrative Claims - State/Receiver		0
	Special Deputy Receiver, Subcontractors Fees & Expenses	79,530	6,553
	Liquidation Oversight & Special Master's Fees	30,831	3,043
	Unsecured Loans	425,610	(390)
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		0
	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) - Other		0
18	Unearned Premium Claims (Assessable Policies) - GA		0
Other Creditors			
11	Federal Government Claims	29,574	0
12	Employee Claims	106,906	0
13	General Unsecured Creditor Claims (Other than Reinsurance Related)	2,711,991	0
14	Ceded Reinsurance Related Unsecured Claims		0
14.1	Assumed Reinsurance Related Unsecured Claims		0
15	State & Local Government Claims	40,688	0
	State & Local Governments/Attorneys		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		0
21	Other Liabilities		0
	Interest		0
	Other		0
22	Total Liabilities	4,254,530	9,206
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(3,383,157)	(34,395)
	Total Liabilities & Equity	871,373	(25,188)

R- 540 Gardian Fidelity Title Company Ltd et al In Receivership
Sources & Uses of Cash

For Period Ending
02/28/10

Line	Qtr Ending Feb-09
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	28,824
11 Total Operational Receipts	28,824
12 Interest & Dividend Receipts	2
13 Net Cash Provided by Investment Activities	0
14 Total Cash Receipts from Investment Activities	2
15 Total Cash Receipts	28,826
Operational Expenses	
16 Deputy Receiver & Consulting Fees & Expenses	40,617
17 Employee Salaries, P/R Taxes & Employee Benefits	0
18 Rent, Office & Other Facility Expenses	0
19 Legal Fees & Expenses	3,533
20 Accounting & Auditing Fees & Expenses	8,415
21 SGA - Administration Expenses other than LAE	0
22 Ancillary Administration Expenses	1,059
23 Other Disbursements	390
24 Total Operational Disbursements	54,014
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	54,014
34 Net Increase(Decrease) in Cash	(25,188)
35 Cash at Beginning of Period	65,124
36 Cash at End of Period	39,935