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

CERTIFICATE OF SERVICE

I certify that on June 15, 2011, 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
05/31/11**

	Total Mar	Total Apr	Total May	Total Quarter
SDR				
Cantilo and Bennett, LLP				
SDR	17,865.00	12,930.00	12,360.00	43,155.00
SDR	0.00	0.00	0.00	0.00
Partner	30.00	30.00	0.00	60.00
Receivership Specialist	355.50	243.00	450.00	1,048.50
Expenses	10.34	14.74	19.24	44.32
Total SDR Billing	18,260.84	13,217.74	12,829.24	44,307.82
SDR Subcontractors - Legal				
Jo Ann Howard & Associates, P.C.				
Senior Legal Specialist	1,780.00	1,500.00	2,840.00	6,120.00
Paralegal	171.00	0.00	0.00	171.00
Expenses	18.93	0.00	0.00	18.93
Total Billing	1,969.93	1,500.00	2,840.00	6,309.93
Total Legal Subcontractors	1,969.93	1,500.00	2,840.00	6,309.93
SDR Subcontractors - Other				
ABACI INC.				
Project Manager	0.00	0.00	0.00	0.00
Technical Manager	96.00	0.00	0.00	96.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	96.00	0.00	0.00	96.00
EMKAY Associates, Inc.				
Claims Manager	603.50	127.50	195.50	926.50
Claims Representative	234.00	78.00	110.50	422.50
Claims Representative	930.00	187.50	577.50	1,695.00
Claims Representative	0.00	0.00	18.00	18.00
Administration	0.00	0.00	2,172.50	2,172.50
Claims Representative	585.00	1,008.00	409.50	2,002.50
Administration	3,117.50	1,145.00	1,045.00	5,307.50
Administration	0.00	58.50	58.50	117.00
Expenses	0.00	0.00	0.00	0.00
Total Billing	5,470.00	2,604.50	4,587.00	12,661.50
Petrosewicz & Company, Inc.				
CPA Principal	0.00			0.00
Staff Accountant	288.00			288.00
Expenses	0.00			0.00
Total Billing	288.00	0.00	0.00	288.00
Portia Haggerty PC				

CPA Principal	855.00	375.00	1,140.00	2,370.00
Tax Return Preparation	0.00	0.00	2,725.00	2,725.00
Expenses	19.40	0.00	9.92	29.32
Total Billing	874.40	375.00	3,874.92	5,124.32

Total Other SDR Subcontractors 6,728.40 2,979.50 8,461.92 18,169.82

Receivership Service Providers

Receivership Service Provider Name				
Moving & Storage	354.45	354.45	708.90	1,417.80
Expenses	0.00	0.00	0.00	0.00
	354.45	354.45	708.90	1,417.80

Restricted Bank Activity
Bank Fees - Analysis Charges 23.51 35.01 13.11 71.63

Operating Account 12.00 11.13 18.59 41.72

Texas Treasury 0.00

Total Other 389.96 400.59 740.60 1,531.15

Liquidation Oversight Allocation

RLO Allocation 1,431.61 2,224.40 1,276.07 4,932.08

Special Master's Fees 0.00 44.00 0.00 44.00

Total RLO & SM Expense 1,431.61 2,268.40 1,276.07 4,976.08

Total Expenses 28,780.74 20,366.23 26,147.83 75,294.80

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

For the Period Ending
05/31/11

Line		05/31/11
Cash		
1	Cash	
	Cash - Unrestricted	22,045
	APF Funds	1,299
Investments		
2	Short-Term 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	272,964
18	Total Unrestricted Assets	23,344
19	Total Restricted Assets	272,964
19A	Net Assets not Categorized	
20	Total Assets	296,308

NOTES

Ref No.

Escrow bank account balances restricted for future escrow claim

1st Community Bank	51,619.89
Amegy Bank	(197.60)

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

For the Period Ending
05/31/11

Prosperity Bank	24,409.73
Regions Bank	0.00
Wells Fargo Bank	8,319.50
Treasury Escrow	134,797.37
Frost Bank	54,015.33
	<u>272,964.22</u>

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

For Period Ending
05/31/11

Line		Qtr Ending 05/31/11	Change
Cash			
1	Cash		0
	Cash - Unrestricted	22,045	(10,346)
	APF Funds	1,299	(65,019)
Investments			
2	Short-Term 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	272,964	(13,057)
18	Total Unrestricted Assets	23,344	(75,365)
19	Total Restricted Assets	272,964	(13,057)
19A	Net Assets not Categorized		0
20	Total Assets	296,308	(88,422)

17.4 Escrow claims processed

**Guardian Fidelity Title Company Ltd et al In Receivership
Statement of Net Liabilities**

**For Period Ending
05/31/11**

Line		Class	05/31/11
1	Secured Claims	1	270,007
	APF Loan	1	426,000
2	Special Deposit Claims	1	
Administrative			
3	Administrative Claims - State/Receiver		
	Special Deputy Receiver, Subcontractors Fees & Expenses	1	21,406
	Liquidation Oversight & Special Master's Fees	1	16,314
	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		
	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	71,460
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		3,664,772
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities		(3,368,464)
	Total Liabilities & Equity		296,308

NOTES

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**Guardian Fidelity Title Company Ltd et al In Receivership
Statement of Net Liabilities**

**For Period Ending
05/31/11**

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	1,512,432
Amegy Bank	371,232
Prosperity Bank	541,481
Regions Bank	<u>286,845</u>
Southern Title Ins Co	<u>2,711,991</u>

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

For Period Ending
05/31/11

Line		Qtr Ending 05/31/11	Change
1	Secured Claims	270,007	(16,315)
	APF Loan	426,000	0
2	Special Deposit Claims		0
Administrative			
3	Administrative Claims - State/Receiver		0
	Special Deputy Receiver, Subcontractors Fees & Expenses	21,406	(32,448)
	Liquidation Oversight & Special Master's Fees	16,314	3,544
	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		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	71,460	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	3,664,772	(45,218)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(3,368,464)	(43,204)
	Total Liabilities & Equity	296,308	(88,422)

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

**For Period Ending
05/31/11**

Line	Qtr Ending May-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	0
11 Total Operational Receipts	0
12 Interest & Dividend Receipts	9
13 Net Cash Provided by Investment Activities	0
14 Total Cash Receipts from Investment Activities	9
15 Total Cash Receipts	9
Operational Expenses	
16 Deputy Receiver & Consulting Fees & Expenses	62,453
17 Employee Salaries, P/R Taxes & Employee Benefits	0
18 Rent, Office & Other Facility Expenses	0
19 Legal Fees & Expenses	7,032
20 Accounting & Auditing Fees & Expenses	4,790
21 SGA - Administration Expenses other than LAE	0
22 Ancillary Administration Expenses	1,418
23 Other Disbursements	42
24 Total Operational Disbursements	75,735
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

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

For Period Ending
05/31/11

Line	Qtr Ending May-11
33 Total Cash Disbursements & Distributions	75,735
34 Net Increase(Decrease) in Cash	(75,726)
35 <i>Cash at Beginning of Period</i>	99,070
36 <i>Cash at End of Period</i>	23,344