9/15/2026 1:08 PM
D-1-GN-19-000723
Velva L. Price
District Clerk
Travis County
Susan Schmidt

CAUSE NO. D-1-GN-19-000723

THE STATE OF TEXAS *Plaintiff,*	§ §	IN THE DISTRICT COURT OF
v.	§	TRAVIS COUNTY, TEXAS
CAPSON PHYSICIANS INSURANCE COMPANY, *Defendant.*	§ §	250TH JUDICIAL DISTRICT

SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES
(JUNE 1, 2026 THROUGH AUGUST 31, 2026)

TO THE HONORABLE DISTRICT COURT:

CANTILO & BENNETT, L.L.P., solely in its capacity as the Special Deputy Receiver of Capson Physicians Insurance Company (the "SDR" and "Capson" respectively), files this Financial Report and Summary Statement of Expenses of the Capson receivership estate for the period of June 1, 2026 through August 31, 2026. The attached report is filed pursuant to TEX. INS. CODE ANN., §§ 443.015(g) and 443.016(a) and the Court's Order Approving the SDR's Application for Approval of Fees and Expenses, entered on March 25, 2019.

The Special Deputy Receiver has served this Quarterly Financial Report to all known parties at interest, as shown in the certificate of service.

Respectfully submitted,

/s/ Greg Pierce

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Attorney for CANTILO & BENNETT, LLP,
Special Deputy Receiver of
Capson Physicians Insurance Company

CERTIFICATE OF SERVICE

I certify that on September 15, 2026, a true and correct copy of the foregoing SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (JUNE 1, 2026 THROUGH AUGUST 31, 2026) was served pursuant to the Order of Reference to Master, the Texas Rules of Civil Procedure and TEX. INS. CODE 443.007(d) on the following by email, except as specifically otherwise noted.

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Capson Physicians Insurance Company
Statement of Expenses

For Period Ending
8/31/26

	Total June	Total July	Total Aug	Total Quarter
SDR				
Cantilo & Bennett, LLP				
Partner/Attorney	21,692.00	28,226.00	18,348.00	68,266.00
Partner/Attorney	4,180.00	2,266.00	1,078.00	7,524.00
Partner/Attorney	242.00	176.00	132.00	550.00
Associate	1,309.00	1,445.00	2,873.00	5,627.00
Associate	1,853.00	187.00	0.00	2,040.00
Legal Assistant	552.50	3,997.50	2,860.00	7,410.00
Expenses	6.66	10.10	9.36	26.12
Total SDR Billing	**29,835.16**	**36,307.60**	**25,300.36**	**91,443.12**
SDR Subcontractors - Legal				
Inquest Resources				
Paralegal	64.00	0.00	0.00	64.00
Receivership Specialist I	288.00	104.00	0.00	392.00
Receivership Specialist II	20.00	10.00	0.00	30.00
Expenses	8.28	0.00	0.00	8.28
Total Billing	**380.28**	**114.00**	**0.00**	**494.28**
Greg Pierce-Attorney at Law				
Attorney	6,650.00	3,925.00	1,900.00	12,475.00
Expenses	8.48	0.00	0.00	8.48
Total Billing	**6,658.48**	**3,925.00**	**1,900.00**	**12,483.48**
Total Legal Subcontractors	**7,038.76**	**4,039.00**	**1,900.00**	**12,977.76**
SDR Subcontractors - Other				
Petrosewicz & Company, Inc				
Accountant-Principal/ C.P.A.	2,232.00	1,134.00	1,602.00	4,968.00
Staff Accountant	1,386.00	1,638.00	1,312.50	4,336.50
Staff Accountant	105.00	115.50	84.00	304.50
Expenses	92.25	10.10	52.75	155.10
Total Billing	**3,815.25**	**2,897.60**	**3,051.25**	**9,764.10**
Brandon Murray				
Claims and IT	902.50	798.00	1,273.00	2,973.50
Expenses	726.35	632.29	810.45	2,169.09
	1,628.85	**1,430.29**	**2,083.45**	**5,142.59**
Culmination Consulting Group				
Reinsurance and Forensic Consultant	10,170.00	2,992.50	3,555.00	16,717.50
Expenses	0.00	0.00	0.00	0.00
	10,170.00	**2,992.50**	**3,555.00**	**16,717.50**

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Capson Physicians Insurance Company
Statement of Expenses

For Period Ending
8/31/26

	Total June	Total July	Total Aug	Total Quarter
Milford Consulting				
Receivership Specialist I	2,086.00	2,254.00	3,836.00	8,176.00
Receivership Specialist III	216.00	819.00	1,512.00	2,547.00
Receivership Specialist III	315.00	441.00	513.00	1,269.00
IT Specialist	484.50	589.00	674.50	1,748.00
Expenses	0.00	0.00	0.00	0.00
	3,101.50	**4,103.00**	**6,535.50**	**13,740.00**
Total Other SDR Subcontractors	**18,715.60**	**11,423.39**	**15,225.20**	**45,364.19**
Receivership Service Providers				
Echo Ridge Partners iCat Maintenance	2,083.00	2,083.00	2,083.00	6,249.00
Rackspace-Email service	269.70	269.70	269.70	809.10
Inventory/Moving/Storage-Safesite	85.00	85.00	85.00	255.00
Pay Pal Charges-Verification receipts	6.96	0.00	14.43	21.39
Operating Account Bank Fees	15.17	15.17	15.17	45.51
Texas Treasury-Non Restricted	69.22	66.67	68.70	204.59
Total Other	**2,529.05**	**2,519.54**	**2,536.00**	**7,584.59**
Sub-Total SDR, Subcontractor & Provider Expenses				
Sub-Total SDR, Subcontractor & Provider Expenses	**58,118.57**	**54,289.53**	**44,961.56**	**157,369.66**
Liquidation Oversight Allocation				
RLO Allocation	3,994.36	5,185.83	5,464.59	14,644.78
Special Master's Fees	137.78	0.00	180.00	317.78
Total RLO & SM Expense	**4,132.14**	**5,185.83**	**5,644.59**	**14,962.56**
Total Expenses	**62,250.71**	**59,475.36**	**50,606.15**	**172,332.22**

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Capson Physicians Insurance Company
Statement of Net Assets

For the Period Ending
08/31/26

Line		08/31/26
Cash		
1	Cash	
	Cash - Unrestricted	4,555,120
	APF Funds (Loan proceeds)	
Investments		
2	Short-Tem Investments	
3	Bonds	
4	Stocks - Preferred & Common	
5	Investments in Subsidiaries, Controlled or Affiliated Entities	
6	Mortgage Loans	
7	Real Estate	
8	Policy Loans	
9	Other Invested Assets	
Restricted Assets		
10	Statutory Deposits	
11	Funds held by or deposited with Reinsured Companies	
12	Restricted - Other	
	Funds Held for Others - Granite State Insurance Co (Draw Down on LOC)	
	Funds Held for Others - Texas Treasury Acct-Granite State Insurance Co	
	Funds Held for Others - PCF Surcharge Refunds	
Reinsurance Receivable		
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	431,573
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	0
15	Reinsurance Recoverables on UEP & Contingent Commissions	
Other Receivables		
16	Salvage & Subrogation Recoveries	
17	Premiums Due from Agents & Policyholders	0
18	Receivable from Parents, Subsidiaries & Affiliates-Agents Balances	
19	Receivable from Guaranty Associations - Early Access Payments	6,684,779
20	Other Receivables	
Other Assets		
21	FF&E	
22	Other Assets	0
	Total Assets	**11,671,472**

NOTES

Ref No.		
13	Reinsurance Recoverables on Paid Losses	741,994
	Allowance for Uncollectible	(310,421)
	Net Amount	431,573
17	Premiums Receivable	63,844
	Allowance for Uncollectible	(63,844)
	Net Amount	0

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Capson Physicians Insurance Company
Statement of Net Assets

For the Period Ending
08/31/26

22 Other Assets are as follows:

Prepaid Expenses	140,650
Allowance for Uncollectible Amounts	(140,650)
Policy Admin Software	60,124
Allowance for Uncollectible Amounts	(60,124)
New Mexico Ancillary Receiver Gross	40,338
Allowance for Uncollectible	(40,338)
Total	0

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Capson Physicians Insurance Company
Changes in Net Assets for the Quarter Ending

8/31/2026

Line		05/31/26	08/31/26	Change
Cash				
1	Cash			
	Cash - Unrestricted	3,475,539	4,555,120	1,079,581
	APF Funds (Loan proceeds)	0	0	0
Investments				
2	Short-Tem Investments	0	0	0
3	Bonds	0	0	0
4	Stocks - Preferred & Common	0	0	0
5	Investments in Subsidiaries, Controlled or Affiliated Entities	0	0	0
6	Mortgage Loans	0	0	0
7	Real Estate	0	0	0
8	Policy Loans	0	0	0
9	Other Invested Assets	0	0	0
Restricted Assets				
10	Statutory Deposits	0	0	0
11	Funds held by or deposited with Reinsured Companies	0	0	0
12	Restricted - Other	0	0	0
	Funds Held at Chase Bank-LOC Collateral	0	0	0
	Funds Held for Others - Granite State Insurance Co (Draw Down on LOC)	0	0	0
	Funds Held for Others - Texas Treasury Acct-Granite State Insurance Co	0	0	0
	Funds Held for Others - PCF Surcharge Refunds	0	0	0
Reinsurance Receivable				
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	0	431,573	431,573
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	0	0	0
15	Reinsurance Recoverables on UEP & Contingent Commissions	0	0	0
Other Receivables				
16	Salvage & Subrogation Recoveries	0	0	0
17	Premiums Due from Agents & Policyholders	0	0	0
18	Receivable from Parents, Subsidiaries & Affiliates	0	0	0
19	Receivable from Guaranty Associations - Early Access Payments	6,684,779	6,684,779	0
20	Other Receivables	0	0	0
		0	0	0
Other Assets				
21	FF&E	0	0	0
22	Other Assets	0	0	0
	Total Assets	**10,160,318**	**11,671,472**	**1,511,154**

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Capson Physicians Insurance Company
Statement of Net Liabilities

For Period Ending
08/31/26

Line		08/31/26
1	Secured Claims	
2	APF Loan	
3	Special Deposit Claims	
Administrative Claims - Class 1		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	42,695
	Liquidation Oversight	
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	4,028,842
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	10,042,798
	LAE Reserves	136,727
Policy Claims - Class 2		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	13,630,836
	Loss Claims Reserves	587,958
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	1,816,674
9	LAE - Other	
10	Unearned & Advance Premium Claims - GA	1,074,607
11	Unearned & Advance Premium Claims - Other	20,142
Other Liabilities		
12	Class 3 Claims	
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	1,961,795
15	Class 5 Reinsurance Related Unsecured Claims	929,646
16	Class 6 Claims	107
17	Class 7 Claims	
18	Class 8 Claims	175,000
19	Class 9 Claims	
20	Class 10 Interest	
21	Class 11 Claims	
22	Other Liabilities	52,079
	Total Liabilities	34,499,906
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(22,828,434)
	Total Liabilities & Equity	11,671,472

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Capson Physicians Insurance Company
Statement of Net Liabilities

For Period Ending
08/31/26

NOTES

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

14 Class 5 General Unsecured Creditor Claims are as follows:

Unsecured Creditors-POCs received not yet adjudicated	29,705
Unsec Creditors-LAE Atty Fees-POCs received not yet adjudicated	1,932,090
Totals	1,961,795

22 Other Liabilities are as follows:

Outstanding Items-Pre Receivership Bank Accounts	52,079
Totals	52,079

R-561 **Capson Physicians Insurance Company**
Changes in Net Liabilities for the Quarter Ending

8/31/2026

Line		05/31/26	08/31/26	Change
1	Secured Claims	0	0	0
2	APF Loan	0	0	0
3	Special Deposit Claims	0	0	0
Administrative Claims - Class 1				
4	Administrative Claims - State/Receiver	0	0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	42,102	42,695	593
	Liquidation Oversight	0	0	0
	Special Master's Fees	0	0	0
5	Administrative Claims - Guaranty Assns	0	0	0
	Administrative Expense Paid	4,024,584	4,028,842	4,258
	Administrative Expense Reserves	8,205	0	(8,205)
6	LAE - Guaranty Assns	0	0	0
	LAE Paid	10,041,638	10,042,798	1,160
	LAE Reserves	219,353	136,727	(82,626)
Policy Claims - Class 2				
7	Loss Claims - Guaranty Assns	0	0	0
	Loss Claims Paid	13,443,792	13,630,836	187,044
	Loss Claims Reserves	775,002	587,958	(187,044)
8	Loss Claims - Other	0	0	0
	Other Loss Claims Paid	0	0	0
	Other Loss Claims Reserves	1,816,674	1,816,674	0
9	LAE - Other	0	0	0
10	Unearned & Advance Premium Claims - GA	1,074,607	1,074,607	0
11	Unearned & Advance Premium Claims - Other	20,142	20,142	0
Other Liabilities				
12	Class 3 Claims	0	0	0
13	Class 4 Claims	0	0	0
14	Class 5 General Unsecured Creditor Claims	1,961,795	1,961,795	0
15	Class 5 Reinsurance Related Unsecured Claims	929,646	929,646	0
16	Class 6 Claims	107	107	0
17	Class 7 Claims	0	0	0
18	Class 8 Claims	175,000	175,000	0
19	Class 9 Claims	0	0	0
20	Class 10 Interest	0	0	0
21	Class 11 Claims	0	0	0
22	Other Liabilities	52,079	52,079	0
	Funds Held for Others-PCF Surcharge Refunds	0	0	0
	Outstanding Items-Pre Receivership Bank Accounts	0	0	0
	Total Liabilities	34,584,726	34,499,906	(84,820)
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(24,424,408)	(22,828,434)	1,595,974
	Total Liabilities & Equity	**10,160,318**	**11,671,472**	**1,511,154**

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Capson Physicians Insurance Company
Sources & Uses of Cash

For Period Ending
08/31/26

	Qtr Ending Aug-26
Income	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	1,215,670
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	600
Sale of Real & Personal Property	0
Investment Sales/Receipts	0
Other Asset Receipts	0
Total Receipts from Assets/Receivables	1,216,270
Interest & Dividend Receipts, EA Interest	0
Cash Deposit Interest	35,049
Total Cash Receipts	1,251,319
Disbursements	
SDR Fees & Expenses	92,568
Subcontractor Legal Fees & Expenses	12,278
Subcontractor Other Fees & Expenses	44,346
Non-Subcontractor Fees & Expenses	0
Other Expenses	7,583
RLO Fees & Expenses	14,963
Total Disbursements for Operations	171,738
Loss Claims & LAE Expense Payments	0
Early Access Payments	0
Refunds & Other -Refund of PCF Funds	0
Total Cash Distributions	0
Total Cash Disbursements & Distributions	171,738
Net Increase(Decrease) in Cash	1,079,581
Cash at Beginning of Period	3,475,539
Cash at End of Period	4,555,120

Automated Certificate of eService

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Greg Pierce on behalf of Greg Pierce
Bar No. 15994250
gpierce@gpiercelaw.com
Envelope ID: 119929292
Filing Code Description: No Fee Documents
Filing Description: SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT AND SUMMARY STATEMENT OF EXPENSES (JUNE 1, 2026 THROUGH AUGUST 31, 2026)
Status as of 9/25/2026 2:24 PM CST

Associated Case Party: GRANITE STATE INSURANCE COMPANY

Name	BarNumber	Email	TimestampSubmitted	Status
Edward Burbach	3355250	eburbach@foley.com	9/15/2026 1:08:16 PM	SENT
Nanette Beaird	1949800	nbeaird@foley.com	9/15/2026 1:08:16 PM	SENT

Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
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Ronald Hole	9834200	Mail@HoleAlvarez.com	9/15/2026 1:08:16 PM	SENT
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John Walker		John.Walker@tdi.texas.gov	9/15/2026 1:08:16 PM	SENT

Associated Case Party: TEXAS PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION

Name	BarNumber	Email	TimestampSubmitted	Status
Rachel Stroud	19424700	rstroud@tpciga.org	9/15/2026 1:08:16 PM	SENT