

EAGLE PASS

INDEPENDENT SCHOOL DISTRICT

Quarterly Delinquent Tax Collection Report



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April - June 2014

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OLIVER S. HEARD, JR.
CO-FOUNDING PARTNER
1943-2000

July 8, 2014

School Board of Trustees
Eagle Pass ISD
1420 Eidson Road
Eagle Pass, Texas 78852

RE: April - June 2014 Quarterly Delinquent Tax Collection Report

Dear Trustees:

We are pleased to present this quarterly report for the period of April - June 2014 summarizing the delinquent tax collection services we have provided Eagle Pass ISD. Our work plan and activity reports reflect a consistent effort by the firm to maximize results. While we work to collect all eligible accounts referred to the firm, we are mindful to expedite the collection of the District's largest accounts as quickly as possible. Our technology and experienced professionals enable us to work and monitor every delinquent account. The aggressive, but fair approach we take continues to receive good response from taxpayers. Recognizing that legal enforcement is a last resort option, we encourage payment plans for those needing such arrangements to meet their obligations to the District. We want to assure you that while our program is fair and aggressive, we continue to place a high priority on providing professional courteous taxpayer assistance to help those taxpayers that are experiencing financial hardship during these tough economic times.

Our entire staff remains focused on delivering services with the high degree of excellence that you have come to expect from our firm. If you, the school board, or other administrative personnel have any questions about this report or the services we provide Eagle Pass ISD, please contact us.

Kindest regards,



SONIA A. GONZALEZ
Partner

CFD&SG /bc

cc: Gilberto Gonzalez, Superintendent of Schools
Ismael Mijares, Assistant Superintendent for Business & Finance
Susana Perez, Risk Management Director
Deniz Brown, Tax Assessor Collector

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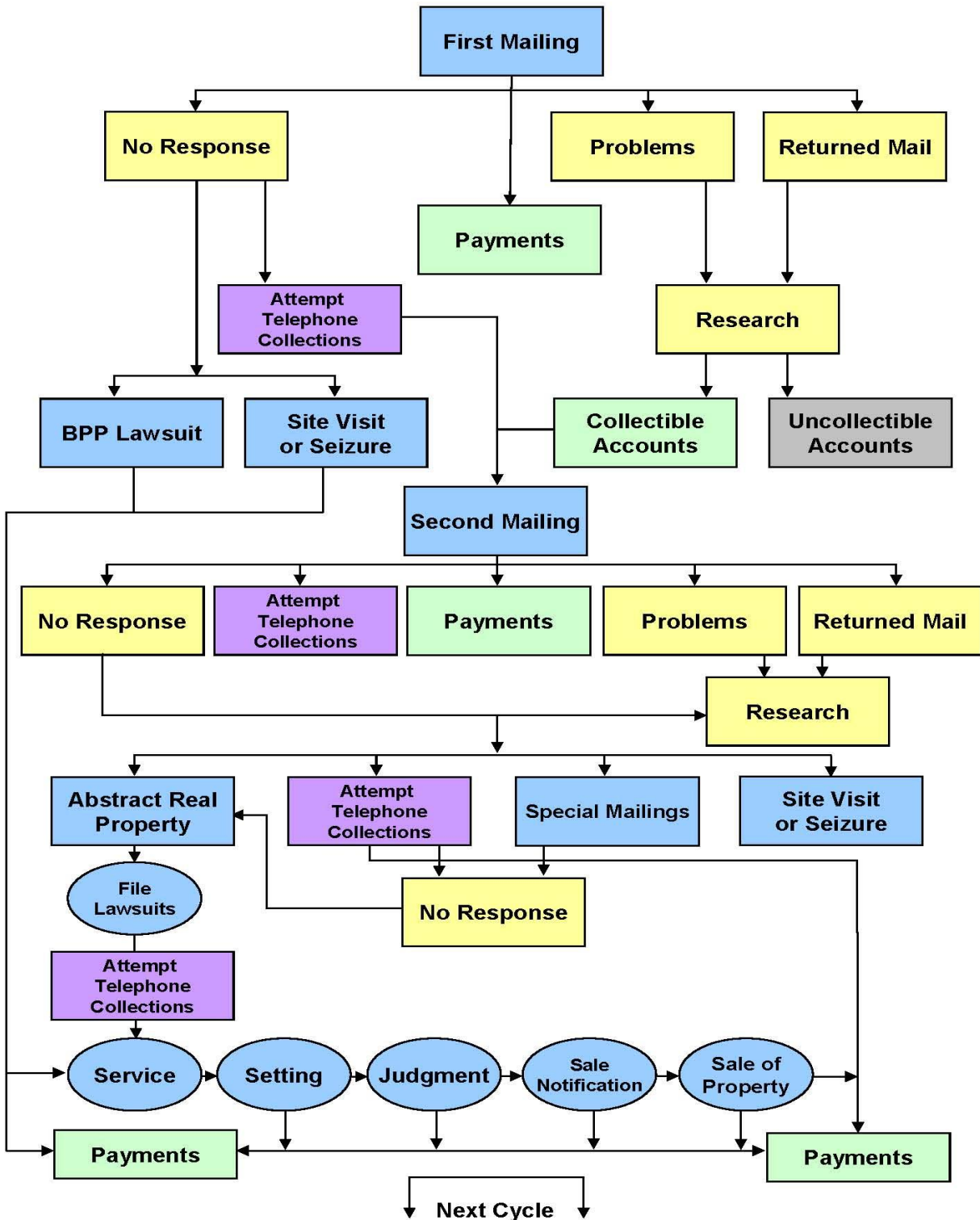
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VII. Management and Support Team

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CHAPTER I

Collection Process



EAGLE PASS ISD WORK PLAN

Notifications

- Mail BPP notice of intent to seize when necessary
- Mail second notification and 1st follow-up notice in September
- Mail 3rd notice and 2nd follow-up notice in December
- Mail special, targeted communications monthly depending on account status each month

Litigation

- Randomly file lawsuits, with focus on high dollar, chronic accounts each month
- Take necessary steps to move all pending cases through the court system each month
- Conduct bi-yearly Sheriff sales
- File proof of claims in bankruptcy courts throughout the United States where taxes are due the District, and take actions necessary to secure taxes in the discharge of the bankruptcy

Research

- Conduct skip tracing research on all accounts flagged with bad address
- Secure an abstract of title on property before filing suit on delinquent accounts
- Conduct follow-up research on defendants where citations have not been successfully served
- Initiate any other title or ownership research necessary to expedite resolution and payment of accounts

Taxpayer Communication

- Initiate contact with Real and business personal property accounts to expedite payment
- Set up payment plans as authorized by the Tax Office
- Remain available during all business hours to assist taxpayers by phone or in person
- Respond to incoming correspondence within three business days

Other Workplan Goals

- Maintain communication with all governmental departments (ie: Tax Office, Appraisal District, District Clerks Office, Sheriffs Department, and Judiciary) involved in the collection process to ensure the collection program remains as efficient as possible and serves to maximize collections while serving the needs of taxpayers
- Provide reports and information whenever necessary to the District

EAGLE PASS ISD

APRIL - JUNE 2014 ACTIVITY SUMMARY

Taxpayer Notifications:

Mass Mailing Activity			
Letter Date	Letter Type	Account	Dollar Amount
May 2014	33.07 Resolution	5,461	\$5,889,099.50
TOTAL		5,461	\$5,889,099.50

Target Mailing Activity:

Target Mailing Activity		
Time Period	Number of Letters	Dollar Amount
April – June 2014	198	\$689,119.15

Taxpayer Assistance and Payment Arrangements:

April – June 2014		
	Number of Accounts	Dollar Amount
Outbound Collection Calls	924	\$2,086,973.49
Taxpayer Walk Ins	397	\$894,995.59
In Bound Phone Inquiries & Correspondence	421	\$1,065,135.49
Law Firm Payment Holds	15	\$31,802.08
Tax Office Payment Arrangements	19	\$25,129.64

Research and Litigation:

April – June 2014		
Activity	Number of Accounts	Dollar Amount
Abstracts of Title and Ownership Research	905	N/A
Lawsuits Filed	25	N/A
Judgments Entered	16	\$72,156.88
Business Personal Property Enforcement	10	\$25,695.30

CHAPTER II

Delinquent Collection Activity

A. Mass Mailings

We mail personalized letters to all accounts on the tax roll that are not involved in litigation or have a condition that would prevent immediate legal action such as a payment arrangement, exemption, age or disability deferral, appraisal dispute, or other conditions that negate legal action. The mailing initiated since April 2014 is reflected below.

MASS MAILING ACTIVITY			
Letter Date	Letter Type	Account	Dollar Amount
May 2014	33.07 Resolution	5,461	\$5,889,099.50
TOTAL		5,461	\$5,889,099.50

Sample letter can be found on the following page.

B. Targeted Mailing

Each week the Firm mails personalized letters to groups of taxpayers based on the status of the account. The letters include Notice of Default, Trial Notice, Notice of Court Costs Due, Notice of Intent to Enforce Judgment, Notice of Seizure, Notice of Tax Foreclosure, Notice of Non-Suit Letters, and Notice of Lawsuit Dismissal.

TARGET MAILING ACTIVITY		
Time Period	Number of Accounts*	Dollar Amount
April 2014	57	\$142,617.28
May 2014	50	\$184,164.20
June 2014	91	\$362,337.67
TOTAL	198	\$689,119.15

*Targeted Letters are sent to all identified property owners and lien holders associated with the delinquent accounts and any related pending lawsuit.

**NOTICE OF DELINQUENT TAXES
Eagle Pass Independent School District**

T7-P0-S1,941



DELINQUENT TAXES	:	\$255.27
PENALTY/INTEREST	:	\$33.18
TOTAL DUE	:	\$288.45

RE /2, LOT 15 (see attached DELINQUENT
ACCOUNT STATEMENT)

IMPORTANT NOTICE

Additional Collection Penalty Applies to 2013 Property Taxes Unpaid as of July 1, 2014

Dear Taxpayer:

As of May 1, 2014, the official records indicate a tax delinquency for one or more years on the property described and as shown at the top of this notice.

This is to inform you that any 2013 taxes remaining unpaid on July 1, 2014, will on that date become subject to an additional penalty of 15% of the taxes, penalty and interest then due, pursuant to Section 33.07 of the Texas Tax Code.

IF THE PROPERTY DESCRIBED IN THIS DOCUMENT IS YOUR RESIDENCE HOMESTEAD, YOU SHOULD CONTACT THE TAX ASSESSOR-COLLECTOR REGARDING A RIGHT YOU MAY HAVE TO ENTER INTO AN INSTALLMENT AGREEMENT DIRECTLY WITH THE TAX ASSESSOR-COLLECTOR FOR THE PAYMENT OF THESE TAXES.

THE TAXES ON THIS PROPERTY ARE DELINQUENT. THE PROPERTY IS SUBJECT TO A LIEN FOR THE DELINQUENT TAXES. IF THE DELINQUENT TAXES ARE NOT PAID, THE LIEN MAY BE FORECLOSED ON.

Please disregard this notice if you have paid these taxes since May 1, 2014, or if you owe 2013 taxes only and you are timely paying those taxes in quarterly installments or in split payments.

Payment may be made to Eagle Pass Independent School District Tax Office, 1420 Eidson Road, Eagle Pass, TX 78852, (830)773-3826.

Please verify the total amount due printed at the top right corner of this notice with the Eagle Pass Independent School District Tax Assessor Collector.

IF YOU ARE 65 YEARS OF AGE OR OLDER OR ARE DISABLED, AND YOU OCCUPY THE PROPERTY DESCRIBED IN THIS DOCUMENT AS YOUR RESIDENCE HOMESTEAD, YOU SHOULD CONTACT THE APPRAISAL DISTRICT REGARDING ANY ENTITLEMENT YOU MAY HAVE TO A POSTPONEMENT IN THE PAYMENT OF THESE TAXES.

PLEASE RETURN THIS LETTER TO THE TAX OFFICE WITH YOUR PAYMENT.

C. Telephone/Personal Contact

The Firm maintains a collections department staffed with professionals who are dedicated to making personal contact to collect taxes due. The volume of calls initiated each month is shown below. A list of accounts who have been contacted can be made available to the District upon request.

OUTBOUND COLLECTION CALLS		
Time Period	Number of Accounts	Dollar Amount
April 2014	389	\$682,760.47
May 2014	243	\$561,066.12
June 2014	292	\$843,146.90
TOTAL	924	\$2,086,973.49

CHAPTER III

Taxpayer Assistance

A. Taxpayer Inquiries

Taxpayers are encouraged to contact the firm to resolve their delinquent accounts. We have experienced bilingual personnel available Monday – Friday from 9:00 am to 5:30 pm to assist taxpayers. Each communication represents an opportunity to resolve problems and facilitate the payment of taxes. In addition, taxpayers may tender payments at our local office located on Monroe Street. Our employees will hand deliver those payments to the respective tax offices that same day. We provide taxpayers with receipts to confirm that payment was tendered. This chapter of the report summarizes our taxpayer assistance efforts based on the origin of the inquiry (phone or correspondence).

TAXPAYER WALK IN INQUIRIES		
Time Period	Number of Accounts	Dollar Amount
April 2014	97	\$210,575.78
May 2014	142	\$362,013.11
June 2014	158	\$322,406.70
TOTAL	397	\$894,995.59

IN BOUND CORRESPONDENCE AND PHONE INQUIRIES		
Time Period	Number of Accounts	Dollar Amount
April 2014	110	\$270,435.02
May 2014	127	\$436,098.02
June 2014	184	\$358,602.45
TOTAL	421	\$1,065,135.49

B. Payment Arrangements

Taxpayers who are unable to pay their delinquent taxes in full are provided payment plan options based on the criteria set forth by the District. We encourage taxpayers who need assistance to utilize this payment opportunity to resolve their delinquent accounts.

Payment plans help to expedite payment in full by allowing financially challenged taxpayers partial payment options. The Tax Office provides formal payment contracts with specified time periods to pay off the delinquent balance. During the payoff period the account is placed on hold to prevent collection enforcement through legal action. Payment resolutions negotiated by the Firm usually involve business and larger real estate accounts because of the direct contact we initiate to collect the taxes. If partial payments are the only feasible way to resolve the account, we agree to process their partial payments and extend a 30 day hold to make their next payment.

When a payment hold is placed on the account, the Firm will not take legal action to collect the taxes due. All payment holds have a drop date so that collection enforcement can resume as necessary. If an account is already involved in litigation when a payment agreement is made, the litigation process is allowed to continue until a judgment is entered. Efforts to enforce the judgment will not be taken as long as the taxpayer complies with the payment plan.

LAW FIRM PAYMENT HOLDS		
Time Period	Number of Accounts	Amount Remaining Due
April 2014	6	\$6,279.41
May 2014	8	\$25,269.73
June 2014	1	\$252.94
TOTAL	15	\$31,802.08

TAX OFFICE PAYMENT ARRANGEMENTS		
Time Period	Number of Accounts	Amount Remaining Due
April 2014	2	\$1,375.13
May 2014	5	\$13,422.01
June 2014	12	\$10,332.50
TOTAL	19	\$25,129.64

CHAPTER IV

Research

A. Returned Mail

Every letter produced through the Firm's mass mailing efforts has a bar code so it can be tracked upon return and updated in our database. The return mail statistics below reflect the number of letters that have been returned undeliverable for each respective mass mailing.

LETTERS RETURNED FROM MASS MAILINGS		
Letter Date	Letter Type	Returned Mail
February 2014	First Notice	60
May 2014	33.07 Resolution	912

B. Address and Ownership Research

The Firm's research personnel have access to national search engines to update address information on return mail or accounts on the tax roll that have an insufficient address. Our in-house research specialists are also trained to resolve complex ownership errors in the deed records. In some cases the research must go back to the original plats from the 1800's. When a new address or new ownership record is found, we share our findings with the Maverick County Appraisal District so that they may verify the data and update their records.

ADDRESS & OWNERSHIP RESEARCH	
Time Period	Number of Accounts
April 2014	524
May 2014	282
June 2014	81
TOTAL	887

C. Title Research

Prior to the filing of a lawsuit, the Firm will request an abstract of title from our abstractors to ensure that all lien holders are enjoined in the lawsuit. We randomly select accounts for litigation in addition to selecting specific accounts that we have determined require legal action. If title cannot be verified, the Firm's in-house research team will work with our abstractors and Maverick County Appraisal District to complete the title process. In addition, we are verifying all of the title work involved in the lawsuits filed by the District's previous law firm to ensure that any disposition and foreclosure efforts are in compliance with the law.

ABSTRACTS OF TITLE PROCESSED		
Time Period	Title Orders Requested	Title Orders Received
April 2014	1	0
May 2014	0	18
June 2014	0	0
TOTAL	1	18

CHAPTER V

Litigation

The Firm will file lawsuits as necessary to collect taxes due the District. When we file lawsuits we will work closely with the Maverick County District Clerk, Sheriff's Department and Judiciary to ensure our litigation procedures help to expedite the prosecution of every lawsuit filed. Dockets will be set regularly in accordance to the Judge's calendar and sheriff sales will be held as often as necessary on the steps of the Maverick County Courthouse.

The Firm is proactive in its efforts to collect taxes involved in bankruptcy. We monitor new bankruptcy filings every week to determine if taxes are due to our clients. Claims are filed immediately and include not only delinquent taxes but also current year taxes that will be due the District.

LAWSUITS FILED	
Time Period	Number of Accounts
April 2014	8
May 2014	0
June 2014	17
TOTAL	25

TRIAL JUDGMENTS			
Suit Number	Judgment Date	Litigation Status	Judgment Amount
06-10-03539-TXAJA	23-Apr-2014	JUDGMENT ENTERED	\$5,683.86
11-01-04391-TXAJA	23-Apr-2014	JUDGMENT ENTERED	\$3,099.78
12-03-04559-TXAJA	23-Apr-2014	JUDGMENT ENTERED	\$3,673.88
13-02-04677-TXAJA	23-Apr-2014	JUDGMENT ENTERED	\$10,608.95
13-08-04731-TXAJA	23-Apr-2014	JUDGMENT ENTERED	\$5,731.36
13-06-04725-TXAJA	23-Apr-2014	JUDGMENT ENTERED	\$1,987.35
13-11-04757-TXAJA	23-Apr-2014	JUDGMENT ENTERED	\$2,872.41
11-03-04427-TXAJA	19-Jun-2014	JUDGMENT ENTERED	\$3,323.76
10-06-04276-TX	09-Jun-2014	JUDGMENT ENTERED	\$9,196.56
13-02-04690-TX	09-Jun-2014	JUDGMENT ENTERED	\$3,564.05
13-08-04732-TX	09-Jun-2014	JUDGMENT ENTERED	\$4,966.58
13-06-04723-TXAJA	19-Jun-2014	JUDGMENT ENTERED	\$2,824.39
13-06-04719-TXAJA	19-Jun-2014	JUDGMENT ENTERED	\$2,816.02
11-01-04389-TXAJA	19-Jun-2014	JUDGMENT ENTERED	\$3,223.97
13-11-04752-TX	09-Jun-2014	JUDGMENT ENTERED	\$4,825.01
13-08-04733-TXAJA	19-Jun-2014	JUDGMENT ENTERED	\$3,758.95
TOTAL: 16			\$72,156.88

BUSINESS PERSONAL PROPERTY ENFORCEMENT APRIL – JUNE 2014		
Activity	Number of Accounts	Dollar Amount
Walk and Talk Campaign	10	\$25,695.30
TOTAL	10	\$25,695.30

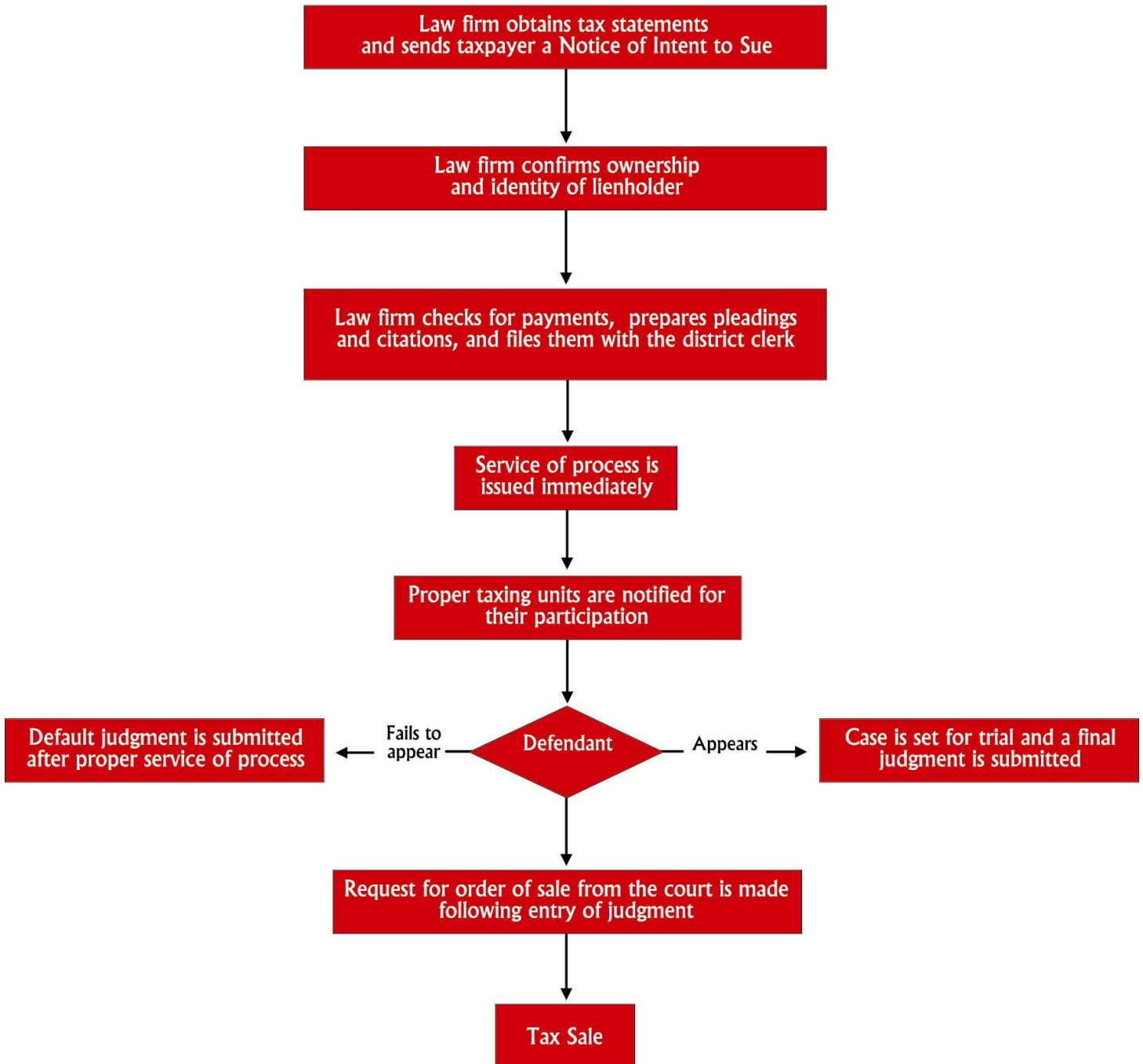
Trial Settings April 2014	
Trial Date	Trial Activity
April 23, 2014 (365th)	10 Lawsuits Set for Trial:
	7 Judgment Entered Totaling \$33,657.59
	06-10-03539-TXAJA Eagle Pass ISD, Maverick County vs. Alfonso Duenas, et al \$5,683.86 judgment entered
	11-01-04391-TXAJA Maverick County, et al vs. Sonia A. Vergenz \$3,099.78 judgment entered
	12-03-04559-TXAJA Maverick County, et al vs. Ricardo Hernandez, et al \$3,673.88 judgment entered
	13-02-04677-TXAJA Maverick County, et al vs. Celso Garcia, Sr., aka Celso Garcia, et al \$10,608.95 judgment entered
	13-06-04725-TXAJA Eagle Pass ISD vs. Elsa Chavez, aka Elsa Carderas Chavez, et al \$1,987.35 judgment entered
	13-08-04731-TXAJA Maverick County, et al vs. Apolonio Morales \$5,731.36 judgment entered
	13-11-04757-TXAJA Maverick County, et al vs. Victor A. Losoya, et al \$2,872.41 judgment entered

**BANKRUPTCY RELATED ACTIVITY REPORT
FOR EAGLE PASS ISD
Notable Bankruptcy Related Collections - Year 2010**

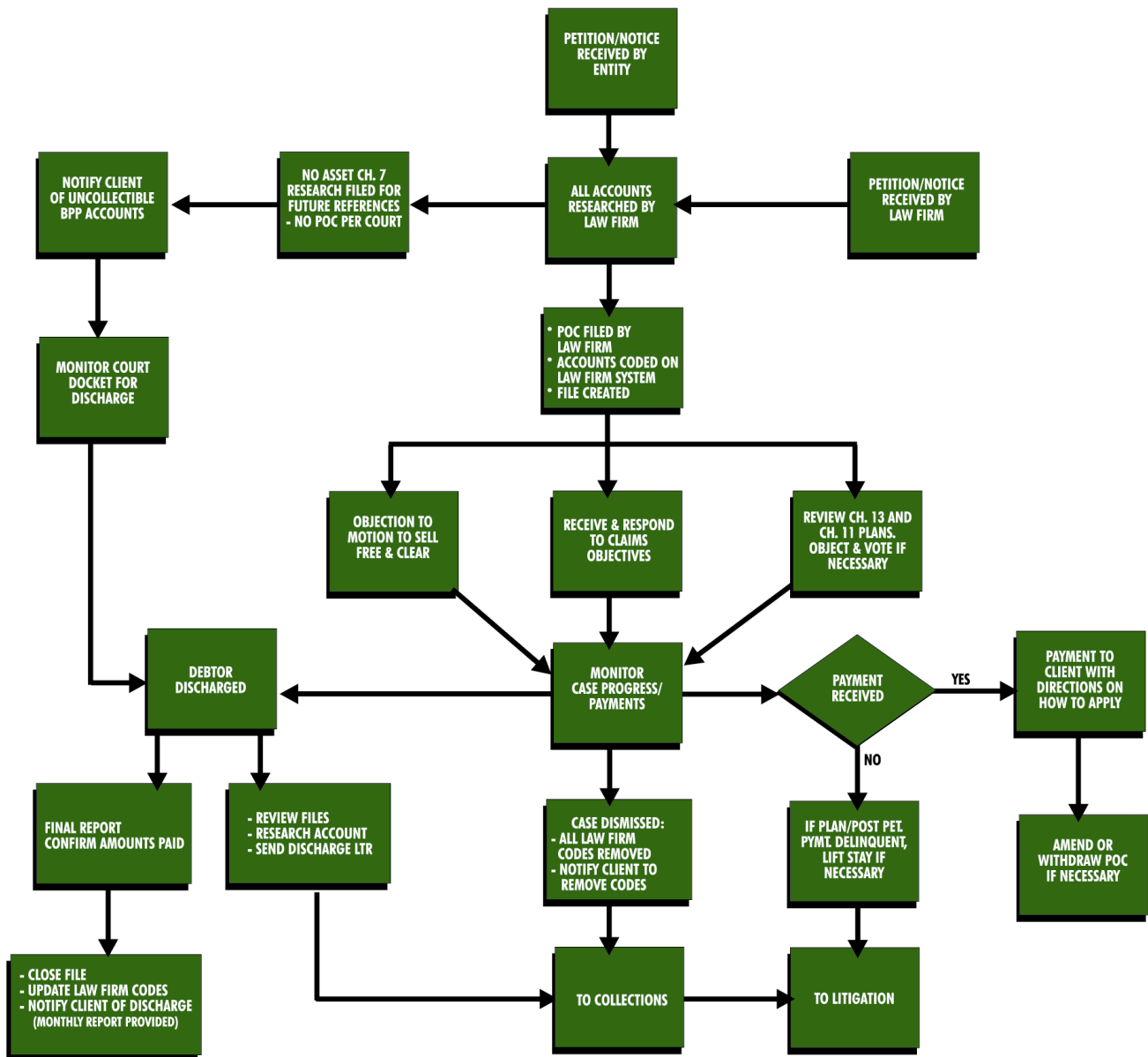
Year Collected	Debtor	Bankruptcy No.	Chapter	Amount
Year 2010				
	TXCO RESOURCES, INC.	09-51807	11	\$747,596.45
Total Year 2010				\$747,596.45
Grand Total for Year 2010				\$747,596.45

BANKRUPTCY FILINGS			
CLAIMS FILED INVOLVING EAGLE PASS ISD TAX DEBT			
APRIL – JUNE 2014			
Bankruptcy Number	Account Number	Debtor Name	CLAIM AMOUNT
14-51054	61001	EDUARDO E LOPEZ	\$1,069.52
14-51177	19608	JUAN ANTONIO TOVAR & SILVIA TOVAR	\$755.12
14-51345	80462	VICTOR RAUL LARA & LAURA RAMIREZ LARA	\$1,819.42
Cases: 3	Accts: 3		Total Claims: \$2,888.94
AS OF JULY 2014 THERE ARE 8 EAGLE PASS ISD ACCOUNTS INVOLVED IN ACTIVE BANKRUPTCY PROCEEDINGS WITH DELINQUENT PROPERTY TAXES TOTALING \$16,344.07.			

TAX SUIT PROCEDURES



Bankruptcy Flow Chart



CHAPTER VI

Collection Results

Linebarger Goggan reports collections based on information provided to the Firm from the Tax Office. The table below reflects delinquent tax collection results based on monthly reports from The Eagle Pass ISD Tax Assessor Collector.

EAGLE PASS ISD Delinquent Tax Collections						
	Tax Year 2013-2014	Tax Year 2012-2013	Tax Year 2011-2012	Tax Year 2010-2011	Tax Year 2009-2010	Tax Year 2008-2009
September	\$145,947.96	\$164,451.89	\$180,904.98	\$178,485.18	\$160,639.28	\$195,643.49
October	\$145,887.36	\$177,362.65	\$184,123.27	\$180,424.61	\$239,095.72	\$164,568.19
November	\$132,149.31	\$191,811.25	\$111,649.02	\$108,583.52	\$131,902.00	\$127,456.30
December	\$119,078.04	\$174,795.75	\$138,720.26	\$131,818.54	\$191,510.59	\$145,498.64
January	\$131,426.94	\$90,690.80	\$138,436.12	\$159,029.88	\$184,218.47	\$130,534.25
February	\$163,508.41	\$123,990.39	\$160,445.05	\$130,899.11	\$484,181.97	\$107,776.48
March	\$123,217.22	\$98,169.47	\$154,352.22	\$216,510.19	\$186,875.89	\$124,182.95
April	\$75,694.88	\$104,298.58	\$105,957.24	\$92,352.71	\$126,426.31	\$47,210.05
May	\$97,028.53	\$73,283.93	\$176,993.05	\$83,453.98	\$75,084.53	\$65,810.85
June	\$100,312.59	\$101,793.29	\$114,638.94	\$103,338.34	\$89,688.61	\$79,479.17
July		\$270,169.69	\$203,433.86	\$215,762.41	\$216,422.58	\$266,632.68
August		\$158,512.88	\$219,242.76	\$208,371.91	\$208,543.11	\$217,283.44
TOTAL	\$1,234,251.24	\$1,729,330.57	\$1,888,896.77	\$1,809,030.38	\$2,294,589.06	\$1,672,076.49

CHAPTER VII

Management and Support Team



Clif Douglass, III
Managing Partner/San Antonio
Joined in 1986



David Aelvoet
Managing
Partner/Bankruptcy
Joined in 1993



Lilia Ledesma
Partner
Joined in 2003



Ronald Rocha
Partner
Joined in 1994



Sonia Gonzalez
Partner
Joined in 2007



Carri Baker Wells
Director of Operations
Joined in 1985



Don Stecker
Partner
Joined in 2008



Brad Balderrama
Attorney
Joined in 2009



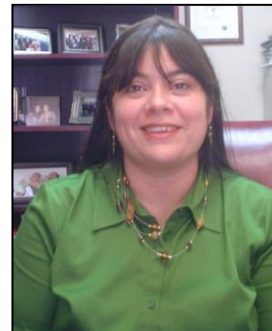
Darbey Wehrle
Financial Reporting
Manager
Joined in 1988



Elaine Mika
Operations Manager
Joined in 1987



Nadine Quintanilla
Assistant Operations
Manager/Regional
Supervisor
Joined in 1994



Ana Cantu
Collections Manager
Joined in 2009
Eagle Pass Office



Sara Garza
Bankruptcy Manager
Joined in 1983



Lorena De Hoyos
Office & IT Administrator
Joined in 2000



Baudi Cepeda
Client Reporting Manager
Joined in 2006



John Fry
Collection Manager
Joined in 2004



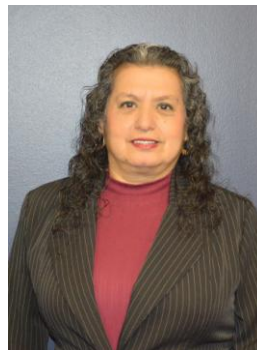
Rosa Cruz
Litigation Assistant
Joined in 2011
Eagle Pass Office



Zane Goodspeed
Collector
Joined in 2011



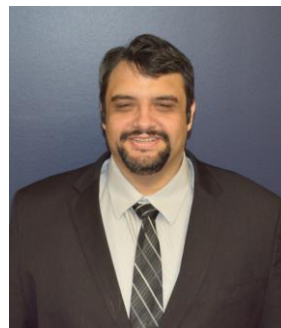
Leticia Crespín
Litigation Assistant
Joined in 2002



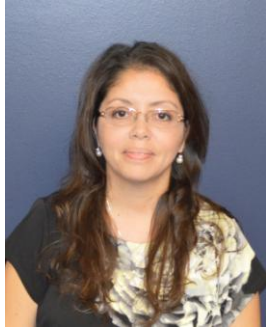
Irene Castillo
Lawsuit Production
Joined in 1998



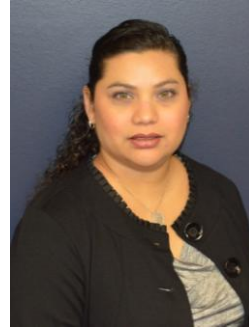
Cecilia Villarreal
Litigation Assistant
Joined in 2009



Paul Hardy
Litigation Assistant/
Research Analyst
Joined in 2011



Barbara Aguilar
Litigation Assistant
Joined in 2000



Maria Hunter
Litigation Assistant
Joined in 2013



Lindsay Moy
Assistant Operations
Manager
Joined in 2002



Veronica Gomez
Bankruptcy Assistant
Joined in 2001



Yvette Balderas
Bankruptcy Assistant
Joined in 2010



Crystal Davis
Bankruptcy Assistant
Joined in 2004