

**IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO**

**MARY JO HUDSON,
SUPERINTENDANT OF
INSURANCE, OHIO DEPARTMENT
OF INSURANCE, IN HER
CAPACITY AS LIQUIDATOR OF
THE GUARANTEE TITLE AND
TRUST COMPANY,**

Plaintiff,

v.

**THE GUARANTEE TITLE AND
TRUST COMPANY**

Defendant.

Case No. 08 CVH 07 10725

JUDGE GUY L. REECE, II

**FILED
COMMON PLEAS COURT
FRANKLIN CO., OHIO
2008 NOV 21 AM 9:10
CLERK OF COURTS**

**RESPONSE TO LIQUIDATOR'S
TURN OVER LETTERS DATED NOVEMBER 5, 2008**

On or about November 5th, the Liquidator sent letters to (a) Hiram Blomquist as "President/Board Member" of GTT and (b) Christopher Likens as "Board Member/Owner" of GTT (collectively referred to herein as the "GTT Directors") advising them of their responsibilities under the Liquidation Order entered in this matter and requesting that they turn over certain bonds and liability insurance policies that afforded coverage to them during the specified time period. Copies of the letters are attached to the Liquidator's Notice of Agenda for the Court's status conference on November 21, 2008. The Liquidator did not send copies of the November 5 letters to counsel for the GTT Directors. Counsel for these parties discussed the Liquidator's request on November 14th and a request for a 10 day extension of time to respond was denied by the Liquidator. The GTT Directors have elected to respond to the November 5 letters and the discussion of them in the Liquidator's

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Notice of Agenda filed on November 19th in this memorandum.

Without waiving its objections regarding the scope of the Liquidator's request and the premature nature of it, the GTT Directors will be delivering to the Liquidator on Friday, November 21st copies of the following policies/bonds:

1. D&O Policy issued to Nations Holding Company with Endorsement adding Reliant Holding Company and its Subsidiaries as insureds;
2. Financial Institution Bond issued to Reliant Holding Company and its subsidiaries;
3. Title Agent E&O Policy issued to GTT; and
4. Property and Liability Policy issued to Reliant Holding Company and a number of other companies.

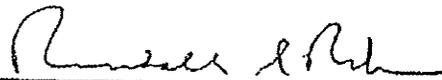
The Liquidator's request is not limited to insurance policies affording coverage to the GTT Directors through their roles with GTT. Instead, the Liquidator seeks policies issued solely to other companies. Consistent with the position previously advanced in this matter, the GTT Directors object to the Liquidator's attempt to impose obligations upon these other companies via this rehabilitation/liquidation proceeding. In essence, the Liquidator is attempting to pierce the corporate veil based solely upon the existence of common ownership and some argument that these companies are loosely affiliated.

These other companies, whether affiliated or not with GTT, fall outside the statutory scheme governing these proceedings. Piercing the corporate veil without a factual inquiry or foundation is contrary to relevant law on this issue. This result should not be different simply because we are in the middle of an insurance company liquidation. These other companies are not parties to this liquidation proceeding despite the Liquidator's attempt to bring them in through requests for documents to the former directors of GTT, and they are entitled to have their corporate separateness respected.

In addition, what is the relevance to insurance policies issued to these other companies? If the Liquidator is seeking to impose liability on the GTT Directors for their actions in connection with GTT, policies issued to other parties are irrelevant. If the Liquidator is seeking to impose liability directly against these other entities because of the business dealings between GTT and those companies, then the attempt to obtain insurance information is premature at best. These other companies stand in the same position as any other alleged debtor to GTT, and as such, requesting insurance policies that would be applicable to any recovery in any separate lawsuits filed by the Liquidator is inappropriate in this liquidation proceeding.

For the foregoing reasons, the GTT Directors request that the Court limit accordingly any order issued on the Liquidator's current request for insurance policies or bonds from the GTT Directors.

Respectfully submitted,



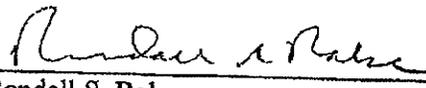
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Attorneys for the GTT Directors

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing has been served upon the following by hand delivery this 21st day of November, 2008.

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