

FREQUENTLY ASKED QUESTIONS & ANSWERS

Background Information

The Guarantee Title and Trust Company (GTT) was incorporated in the State of Ohio in 1899. GTT was authorized to engage in the business of title insurance in the state of Ohio pursuant to Ohio Revised Code Chapter 3953. Title insurance is explained below under “Frequently Asked Questions.” In 1991, GTT merged with American Realty Title Assurance Company (ARTA). Prior to its liquidation in 2008, GTT was licensed in Arizona, Arkansas, Washington D.C., Illinois, Indiana, Maine, Michigan, Mississippi, Montana, Ohio, Pennsylvania, South Carolina, South Dakota and Utah.

GTT is a stock company, and is wholly owned by Reliant Holding Company (Reliant). Christopher M. Likens owns Reliant. Reliant also owns a Missouri-domiciled title insurer, The Guarantee Title Insurance Company (GTI). Christopher M. Likens also owns 100% of Nations Holding Company. Mr. Likens and/or Nations Holding Company own numerous title insurance agencies that wrote GTT title insurance policies and other related businesses in several states, including:

- Nations Lending Service of Arizona
- Nations Lending Service-KS/DC
- Nations Lending Service-Multi State
- Nations Lending Service-Ohio
- Nations Lending Service-Ohio/DC
- Nations Lending Service-Ohio/Illinois
- Nations Lending Service-OHIO/PA
- Nations Lending Service-Ohio/SC
- Nations Title Agency of Illinois
- Nations Title Agency of Illinois, Inc.
- Nations Title Agency of Indiana
- Nations Title Agency of Michigan
- Nations Title Agency of Missouri
- Nations Title Agency of New York
- Nations Title Agency of Ohio, Inc.
- Nations Title Agency of Utah
- Nations Title Agency, Inc.
- Nations Title of New York
- Nations Title, NLS-IL
- Nations Title, NLS-IN
- Nations Title, NLS-ME
- Nations Title, NLS-MI
- Nations Title, NLS-MS
- Texas Nations Title Agency
- GQuest, Inc.
- Title Quest Agency
- Nations Title, NLS-OH
- Nations Title, NLS-PA
- Worldwide Recording
- Reliable Property Reports
- Foreclosure Management Company

GTT had the following office locations in 1999:

http://www.ohliq.com/documents/companydocuments/34_20081208_1_officelocations1999.pdf

By December 31, 2007, GTT had the following office locations:

The Guarantee Title and Trust Company
5370 W. 95th Street
Prairie Village, KS 66207

The Guarantee Title and Trust Company
8230 Montgomery Road, Suite 200
Cincinnati, OH 45236-2200

The Guarantee Title and Trust Company (Agency)
4887 W. Spencerfield Road
Pace, FL 32571

TitleQuest (Agency)
6321 E Livingston Ave # C
Reynoldsburg, Ohio 43068

Liquidation Order

On October 27, 2008, the Ohio Superintendent of Insurance in her capacity as Rehabilitator of GTT requested and received a final judgment and order of liquidation in the case captioned: *Mary Jo Hudson, Superintendent of Insurance in her capacity as Liquidator of The Guarantee Title and Trust Company v. The Guarantee Title and Trust Company*, Franklin County Ohio Common Pleas Court Case No. 08CVH07-10725 (“GTT Liquidation Case”). Mary Jo Hudson, Ohio Superintendent of Insurance, is appointed as Liquidator. The Liquidator is authorized and directed to take possession of all books, records and documents of and pertaining to GTT. The Liquidator is directed to liquidate all of the property of GTT pursuant to Ohio law and under the continuing jurisdiction of the Liquidation Court. The Liquidation order permanently enjoins all litigation.

The Liquidation Order and other court documents may be viewed at www.ohinsliq.com under Open Liquidations - Guarantee Title and Trust - Documents.

It should be noted that the Missouri Superintendent of Insurance has separately been appointed as Liquidator of GTI. For further information about GTI, please contact David K. Hamilton, Special Deputy Liquidator of GTI (913- 642-5992) or the Missouri Department of Insurance.

Absolute Final Bar Date for Filing Proofs of Claims

The Liquidation Order establishes an Absolute Final Bar Date for filing proofs of claims. **All outstanding claims, including those presented to GTT prior to liquidation, must be submitted to the Liquidator on the Proof of Claim Form, along with supporting information to document the claim. The Absolute Final Bar Date for any claimant to file a Proof of Claim Form and supporting documentation for purposes of participating in any distribution of assets that may be made is 4:30 p.m. Eastern Daylight Time (United States) on October 27, 2009. All Proof of Claim Forms and supporting documentation must be**

received by the Liquidator no later than 4:30 p.m. Eastern Daylight Time (United States) on October 27, 2009, or your claims will be foreclosed and forever barred.

The Liquidator has not yet mailed the Proof of Claims Forms. She will do so prior to April 27, 2009. The Liquidator mailed notices of the Liquidation Order to agents, directors, officers, known policyholders, attorneys, banks, reinsurers, and creditors and vendors who are identified in GTT's books and records as persons known or reasonably expected to have claims against GTT. The purpose of our notice is to advise known stakeholders that GTT is insolvent and that they will have an opportunity to file a claim in GTT's liquidation proceeding, if a claim exists. The records used for the notice do not indicate if you are in fact owed anything by GTT. If you received a notice of liquidation, you should also receive a Proof of Claim Form prior to April 27, 2009. Otherwise, you may make a written request for a Proof of Claim Form. Requests for Proof of Claim forms should be addressed to: The Office of the Ohio Insurance Liquidator, Attn: GTT, 50 W. Town Street, Third Floor, Suite 350, Columbus, OH 43215.

Frequently Asked Questions

What is title insurance? "Title" is your legal right to own, use and sell a piece of land. A title insurance policy insures against undisclosed problems in title. It insures that a property owner has proper title to a property and can legally transfer title to someone else. Should a defect in the title (such as a tax lien or easement or other dispute in ownership) arise, the title insurance policy usually pays any legal damages. For these reasons, a title insurance company or its agent generally conducts an in-depth search to identify, prevent, and eliminate/cure title defects before a new title insurance policy is issued. They do this by searching public records to develop and document the chain of title to the property and by identifying all outstanding claims and liens on the property.

A title insurance policy may protect the mortgage lender, the home buyer or both. Most mortgage lenders require a home buyer/borrower to have title insurance. If you are a property owner, you should have received a copy of your title insurance policy at or shortly after your closing. You should check those papers to see if GTT issued your policy. If it is, you should take steps to secure a new title insurance policy, as explained further below.

What is Liquidation? Insolvent insurance companies are not subject to the jurisdiction of the United States Bankruptcy Courts. All aspects of an insurance company's rehabilitation or liquidation (sometimes referred to as receivership) resulting from insolvency are governed by the Ohio Insurer's Supervision, Rehabilitation and Liquidation Act, Ohio Revised Code Section 3903.01-.59.

When the Ohio Superintendent of Insurance determines that an Ohio-domiciled insurer is insolvent or is operating in a financially hazardous manner, the Superintendent files a Complaint in the Franklin County, Ohio Common Pleas Court for an order placing the company into rehabilitation or liquidation. If the Court agrees with the Complaint, a rehabilitation or liquidation order is issued appointing the Superintendent of Insurance as Rehabilitator or Liquidator of the company. In GTT's case, the Superintendent was appointed as Rehabilitator until October 27, 2008, when she was appointed as Liquidator.

Under the Court's supervision the Liquidator is charged with, among other things, gathering the company's assets, converting them into cash and distributing the cash to claimants of the company. To receive a distribution, claimants must submit their claims to the Liquidator on the

Proof of Claim Form, along with supporting information to document their claims, by the prescribed filing deadline or bar date, which is October 27, 2009 for GTT claimants. Ohio Revised Code Section 3903.42 establishes a set of priorities for the payment of claims. There are nine classes of claims. All claims in a class must be paid in full before any payment is made to the next lower class. Within a class, all claims are paid equal pro rata shares if there are not sufficient funds to pay the class in full. The first priority is payment of the administrative expenses of the estate, followed by payment of claims under the policies or contracts of insurance written by the company. The last priority is payment to the owners of the company.

Shortly after the Court enters a Liquidation Order, the Office of the Ohio Insurance Liquidator takes possession of the company's offices, equipment, records and assets. Also, in this case, the statutes require that all GTT insurance policies are cancelled within 30 days of the Liquidation Order.

After all assets are converted to cash and all claims filed with the Liquidator are adjudicated, prioritized and valued, the Liquidator will file a petition with the Court asking for authority to distribute the cash according to the priority scheme. The liquidation process can often take many years, but the Liquidator will attempt to complete the GTT liquidation in less than five years.

Why did I receive a Notice of GTT's Liquidation? Shortly after a Liquidation order is entered, a notice is sent to all known potential claimants advising them of the liquidation and telling them the process they must follow to perfect their claim against the liquidation estate. In this case, the Liquidator notified known policyholders; superintendents of insurance in states where GTT did business; guaranty associations which may become obligated as a result of the liquidation; insurance agents of GTT; and all persons known or reasonably expected to have claims against GTT as indicated by the books and records of the insurer. You received a Notice of GTT's Liquidation if the Liquidator determined that you may be in one of these categories. However, the records used for the Notice do not indicate if you are in fact owed anything by GTT. At this time, the Liquidator does not have knowledge regarding the particulars of your/your company's business relationship with GTT or the merits of any claim you have or may have. If you are or were a policyholder, the Liquidator does not know if you replaced your GTT policy in the course of a subsequent refinancing or other transaction. You should begin to investigate your relationship, if any, with GTT and determine what, if any claims you may have against GTT.

What do I do if I think GTT owes me money? You should file a Proof of Claim along with supporting documentation with the Liquidator on or before October 27, 2009. The Liquidation Order establishes an Absolute Final Bar Date for filing proofs of claims. **All outstanding claims, including those presented to GTT prior to liquidation, must be submitted to the Liquidator on the Proof of Claim Form, along with supporting information to document the claim. The Absolute Final Bar Date for any claimant to file a Proof of Claim Form and supporting documentation for purposes of participating in any distribution of assets that may be made is 4:30 p.m. Eastern Daylight Time (United States) on October 27, 2009. All Proof of Claim Forms and supporting documentation must be received by the Liquidator no later than 4:30 p.m. Eastern Daylight Time (United States) on October 27, 2009, or your claims will be foreclosed and forever barred.**

How do I get a Proof of Claim Form for purposes of filing a claim with the Liquidator? The Liquidator has not yet issued the Proof of Claims Forms. The sample form attached to the Liquidation Order is just that – a sample. Official Proof of Claim Forms will be mailed to known claimants prior to April 27, 2009. If you received a notice of liquidation, you should also receive

a Proof of Claim Form prior to April 27, 2009. Otherwise, you may make a written request for a Proof of Claim Form. Requests for Proof of Claim forms should be addressed to: The Office of the Ohio Insurance Liquidator, Attn: GTT, 50 W. Town Street, Third Floor, Suite 350, Columbus, OH 43215.

Is there guaranty fund coverage for claims arising under GTT title insurance policies? At this time, the Liquidator has confirmed that Michigan is the only state in which GTT is licensed that statutorily provides guaranty fund coverage for title insurance claims. If you timely file a Proof of Claim documenting a claim arising under a GTT title insurance policy insuring title in Michigan, then the Liquidator will forward that claim to the Michigan Guaranty Association. All other Proofs of Claims will be paid by the Liquidator pursuant to Ohio Revised Code Section 3903.42 to the extent the claims are allowed and GTT has assets to pay claims.

A GTT insured is in a foreclosure proceeding or otherwise cannot obtain new title insurance because of a title defect that is insured by GTT. Will the Liquidator defend against the foreclosure, take steps to cure the title defect or keep the GTT policy in force? No. Pursuant to the terms of the Liquidation Order, GTT shall not defend or pay the cost of defending cases in which a claimant (*i.e.*, policyholder) has tendered the defense of a title defect claim to GTT or has named GTT as a defendant for this purpose. Instead, policyholders must bear the cost defense and/or of curing their own title defects, which costs may be submitted as a Proof of Claim for consideration by the Liquidator. In addition, all GTT policies and indemnity letters/agreements terminate no later than 30 days from the date of the Liquidation Order. Policyholders are encouraged to secure new title insurance.

How does a policyholder get a new title insurance policy? A list of title insurance companies is posted on the Ohio Department of Insurance web site at www.ohioinsurance.gov/company/liquidator.htm.

Will the Liquidator allow a Proof of Claim seeking payment of the costs to replace a GTT title insurance policy? Historically, the Liquidator has not accepted policyholder claims for the costs of replacement coverage. The Liquidator will therefore seek court approval to reject claims against the GTT Liquidation Estate for payment of the costs for a new title insurance policy that replaces the cancelled GTT policy.

I am an attorney first retained by GTT prior to the July 28, 2008 Order of Rehabilitation to defend a GTT policyholder or to represent GTT, and I provided unpaid legal services to GTT prior to the Rehabilitation Order. I also provided unpaid legal services after July 28, 2008.

How do I get paid? The Liquidator will not pay fees for services rendered to GTT prior to the Rehabilitation Date. You should file a Proof of Claim Form, along with supporting documentation, with the Liquidator on or before October 27, 2009 documenting these claims. The Rehabilitator and Liquidator will pay post-rehabilitation fees and services that the Rehabilitator or Liquidator pre-authorized in writing. The most common example is the Rehabilitator's instruction to attorneys to file motions for stay in pending litigation. Attorneys should separately invoice these pre-authorized, post-Rehabilitation services and mail the invoices, along with evidence of the rehabilitator's/liquidator's approval, to Office of the Ohio Insurance Liquidator, Attn: Legal Department, Re: GTT, 50 W. Town Street, Third Floor, Suite 350, Columbus, OH 43215.

Can I withhold or set-off money (i.e., settlement proceeds or a retainer) in my possession that is now owing the Rehabilitator or Liquidator in order to pay outstanding legal fees? No.

Can I assert an attorney's lien as a basis to withhold documents in response to the Liquidator's turn over demand? No.

May I file a Motion to Withdraw as Counsel to GTT in litigation in which I am defending GTT as a result of GTT's insolvency and stay of litigation in the Liquidation Order? Yes. There is a permanent injunction/stay against litigation in the Liquidation Order. Please return all GTT legal files to Office of the Ohio Insurance Liquidator, Attn: Legal Department Re: GTT, 50 W. Town Street, Third Floor, Suite 350, Columbus, OH 43215.

May I file a Motion to Withdraw as counsel in litigation in which GTT is paying the insured's defense costs? Pursuant to the terms of the Liquidation Order, GTT shall not defend or pay the cost of defending cases in which a claimant (i.e., policyholder) has tendered the defense of a title defect claim to GTT or has named GTT as a defendant for this purpose. Instead, policyholders must bear the cost defense and/or of curing their own title defects, which costs may be submitted as a Proof of Claim for consideration by the Liquidator. You should therefore consult the policyholder prior to withdrawal. In addition, all GTT policies and indemnity letters/agreements terminate no later than 30 days from the date of the Liquidation Order.

May I file a Motion to Withdraw as Counsel in Cases in which I represent GTT as a plaintiff (i.e., recoupment cases)? Please contact the Office of the Ohio Insurance Liquidator Legal Department (614-487-9200) if you fall into this category.

How much money does GTT have? What is the likelihood that a claim will be paid if a Proof of Claim Form is filed and the claim is allowed? The Liquidator will file a schedule of GTT's assets with the Liquidation Court within 120 days of the Liquidation Order, which is approximately February 27, 2009. The Liquidator will also file semi-annual accountings (court cash reports) with the Liquidation Court. The first court cash report will be filed on or around April 1, 2009 for the period July 28, 2008-December 31, 2008. The Liquidator may be better able to answer the question as to GTT's assets at and after these filings begin. The likelihood of receiving a distribution on a Proof of Claim will not be known until all of the Proofs of Claims are filed, adjudicated and assets are recovered. The Liquidator will endeavor to expedite this liquidation, but even in the best circumstances, the liquidation process takes several years.

How do I stay informed about the GTT Liquidation? The Liquidation Order and other court documents may be viewed at www.ohinsliq.com under Open Liquidations - Guarantee Title and Trust - Documents. You may also contact the office of the Ohio Insurance Liquidator at 50 W. Town Street, Third Floor, Suite 350, Columbus, OH 43215, (614) 487-9200. The Liquidator is experiencing a high volume of calls. If you are unable to speak to someone, please leave a voice mail message. Message left on voice mail will be returned. **Please do not call the Liquidation Court, as the Court will refer you back to the Office of the Ohio Insurance Liquidator.**