

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

MARY TAYLOR, SUPERINTENDENT OF)
INSURANCE, IN HER CAPACITY AS)
LIQUIDATOR OF THE GUARANTEE)
TITLE AND TRUST COMPANY,)

CASE NO. 08CVH07-10725

Plaintiff,)

JUDGE GUY L. REECE II

v.)

The Guarantee Title and Trust Company,)

Defendant.)

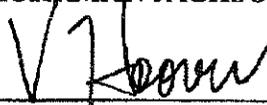
FILED
COMMON PLEAS COURT
FRANKLIN COUNTY
OHIO
2011 APR 12 PM 3:30
CLERK OF COURT - CV

MOTION FOR AUTHORITY TO RETAIN FUNDS DEPOSITED IN PEOPLE'S FIRST COMMUNITY BANK AND SUN TRUST BANK AS GENERAL ASSETS OF THE ESTATE

Plaintiff Mary Taylor, Superintendent of Insurance, State of Ohio, in her capacity as Liquidator ("the Liquidator") of The Guarantee Title and Trust Company ("GTT"), requests the Court for an Order authorizing her to retain and treat funds that were held in GTT checking accounts at People's First Community Bank and Sun Trust Bank as general assets of the Estate to be used to pay known creditors of this Estate pursuant to the priority scheme set forth in R.C. 3903.42. A Memorandum in Support is attached.

Respectfully Submitted,

MIKE DEWINE
Attorney General, State of Ohio
By Special Counsel:
KOHORMAN JACKSON & KRANTZ PLL



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Attorneys for Mary Taylor, Superintendent, Ohio Department of Insurance, in her Capacity as Liquidator of the Guarantee Title and Trust Company

MEMORANDUM IN SUPPORT

Plaintiff Mary Taylor, Superintendent of Insurance, State of Ohio, in her capacity as Liquidator ("the Liquidator") of The Guarantee Title and Trust Company ("GTT") requests the Court for an Order authorizing her to retain \$79,630.75 that was deposited by GTT pre-liquidation in two checking accounts held by GTT at People's First Community Bank and Sun Trust Bank and to treat the funds as general assets of this Estate, not as unclaimed escrow funds. The Liquidator will use the general assets to be used to pay known creditors of this Estate pursuant to R.C. 3903.42.

On October 27, 2008, this Court issued an order placing GTT in liquidation pursuant to Chapter 3903 of the Ohio Revised Code and appointing the Ohio Superintendent of Insurance as the Liquidator. Since then, the Liquidator has reviewed the books and records of GTT, has identified and collected, where reasonable, all known assets of GTT, and is in the final stages of reviewing, valuing, and classifying all known claims of GTT.

The Liquidator previously informed the Court that GTT held several general checking and other bank accounts at various banks throughout the United States. GTT at various times improperly used eighteen (18) general checking accounts as escrow accounts for its title agency operations. As such, GTT did not properly hold, report or account for escrow funds, which are not funds of GTT. Nor did GTT properly reconcile these eighteen (18) accounts. In Florida, for example, it appears the general ledger is false and that the company abandoned accounts every couple of years when the accounts became impossible to reconcile. On at least one occasion, GTT management in Kansas instructed that escrow funds in Michigan be deposited and co-mingled in a general operating account in Kansas. The Liquidator necessarily was left to sift through the wreckage of these accounts and to try to reconcile the accounts to determine which funds were escrow funds and which funds were, in fact, GTT's funds.

The Liquidator was able to reconcile sixteen (16) of the accounts. As a result, the

Liquidator identified and returned \$3,099.59 in escrow funds directly to rightful owners who were parties to recent closing transactions that were documented in closing files and bank statements available to the Liquidator. The Liquidator worked closely with the Ohio Department of Commerce to successfully transfer \$181,543.89 of additional funds identified as escrow funds to the Unclaimed Funds Division in a manner that identified the name and last known address of the true owners.

The Liquidator cannot reconcile 2 general checking accounts: (1) Account #688758 that was held by GTT at People's First Community Bank ("People's Bank Account") and (2) Account #0165165018285 that was held by GTT at Sun Trust Bank in Florida ("Sun Trust Account"). Together, the accounts held \$79,630.75. Since February, the funds have been held by the Liquidator in a single account to conserve bank fees.

Because the Liquidator cannot reconcile the original accounts, the Liquidator therefore cannot determine whether or which funds deposited in these accounts may in actuality be escrowed funds. There are years of missing bank statements for these dormant accounts. As a result, there is no record of what funds went in and out of these accounts that might, in turn, correspond to a closing file. Moreover, the general ledgers for the accounts are completely inaccurate and unreliable. As a result, it is not certain whether there is a true owner of the funds other than GTT, the legal owner of the accounts. The only way the Liquidator would know that any of the funds are escrow funds would be if someone produced an un-cashed check drawn on one of the accounts. To date, that has not occurred. It is highly unlikely it will occur now because the last known activity in the People's First Community Bank account was in April 1999 and the last known activity in the Sun Trust Bank account was in February 2004.

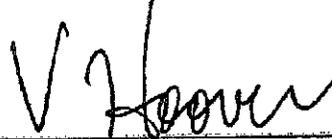
Under these circumstances and after consultation with the Ohio Department of Commerce, the Liquidator of GTT requests the Court for an Order authorizing her to retain the funds that were held in the People's Bank Account and the Sun Trust Account as general assets of this Estate to be

distributed to known claimants pursuant to R.C. 3903.42.

Respectfully Submitted,

MIKE DEWINE
Attorney General, State of Ohio

By Special Counsel:
KOHRMAN JACKSON & KRANTZ PLL

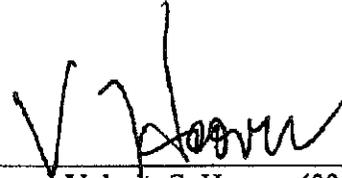


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*Attorneys for Mary Taylor, Superintendent, Ohio
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CERTIFICATE OF SERVICE

I hereby certify that in accordance with paragraph 41 of the Liquidation Order, a true and accurate copy of the *Motion for Authority To Retain Funds Deposited In People's First Community Bank and Sun Trust Bank As General Assets of the Estate* was posted on the Liquidator's website (www.ohliq.com) substantially contemporaneous with the filing on this 12th day of April, 2011.



Valoria C. Hoover (0059596)