

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, )

Plaintiff, )

v. )

THE GUARANTEE TITLE AND TRUST )  
COMPANY, )

Defendant. )

CASE NO. 08CVH07-10725

JUDGE GUY L REECE II

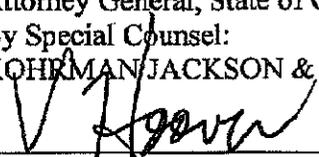
FILED  
COMMON PLEAS COURT  
FRANKLIN CO. OHIO  
2011 APR 12 PM 2:  
CLERK OF COURTS

**MOTION OF THE LIQUIDATOR FOR APPROVAL OF THE RELEASE AGREEMENT  
ENTERED INTO BETWEEN THE GUARANTEE TITLE AND TRUST COMPANY IN  
LIQUIDATION AND THE UNITED STATES**

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 approving the Release Agreement entered into by and between GTT and the United States ("Release Agreement"). A copy of the Release Agreement is attached hereto as Exhibit A. The reason and support for this Motion is described more fully in the attached Memorandum in Support.

Respectfully Submitted,

MIKE DEWINE  
Attorney General, State of Ohio  
By Special Counsel:  
KOHLMAN 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 approving the Release Agreement entered into by and between GTT and the United States. A copy of the Release Agreement is attached hereto as Exhibit A. The Release Agreement releases and discharges the Liquidator and the estate of GTT from any and all liability under 31 U.S.C. § 1317(b), subject to the terms and conditions contained therein.

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.

O.R.C. 3903.42 governs the priority of the distribution of claims from an insurer's estate.

Under the statute:

The priority of distribution of claims from the insurer's estate shall be in accordance with the order in which each class of claims is set forth in this section. Every claim in each class shall be paid in full or adequate funds retained for such payment before the members of the next class receive any payment.

Among the various classes of claims established under O.R.C. § 3903.42, "Class 3" claims are limited to claims of the federal government. *See* OHIO REV. CODE ANN. § 3903.42(C) (2009). In the case of the estate of GTT, there were no claims filed by the federal government.

To facilitate closure of the GTT estate, the Liquidator of GTT has entered into a Release Agreement with the United States, a copy of which is attached hereto, which release is expressly conditioned upon the approval of this Court. The Release Agreement provides for a release of the Liquidator and the GTT estate from any and all liability under § 31 U.S.C. 3713(b), subject

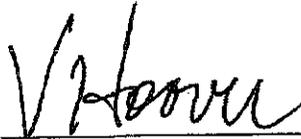
to the terms and conditions therein.

Therefore, the Liquidator of GTT requests the Court for an Order approving the Release Agreement entered into by and between The Guarantee Title and Trust Company in liquidation and the United States.

Respectfully Submitted,

MIKE DEWINE  
Attorney General, State of Ohio

By Special Counsel:  
KOHRMAN, JACKSON & KRANTZ, PLL



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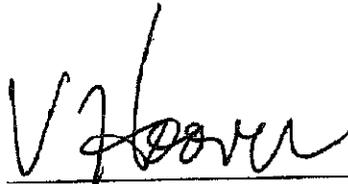
*Attorneys for Mary Taylor, Superintendent, Ohio  
Department of Insurance, in her Capacity as  
Liquidator of the Guarantee Title and Trust Company*

**CERTIFICATE OF SERVICE**

I hereby certify that in accordance with paragraph 41 of the Liquidation Order, a true and accurate copy of the *Motion of the Liquidator for Approval of the Release Agreement Entered Into Between The Guarantee Title and Trust Company In Liquidation and The United States* was posted on the Liquidator's website ([www.ohliq.com](http://www.ohliq.com)) substantially contemporaneous with the filing. And that a true and accurate copy was served upon the following via Regular Mail, postage prepaid, and e-mail on this 12<sup>th</sup> day of April, 2011.

Sharon C. Williams  
Trial Attorney  
Department of Justice  
Civil Division  
Commercial Litigation Branch  
1100 L Street, N.W., Room 10016  
Washington, D.C. 20005  
*Attorneys for The United States of America*

*Email: [Sharon.Williams@usdoj.gov](mailto:Sharon.Williams@usdoj.gov)*



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Valoria C. Hoover (0059596)

## **RELEASE AGREEMENT**

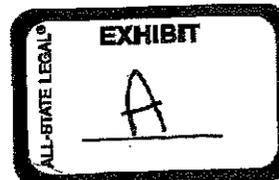
In order to permit a distribution of the assets of the estate of The Guarantee Title and Trust Company ("GTT"), pursuant to the orders of the Court of Common Pleas of Franklin County, Ohio ("Court") in Case No. 08CVH07-10725, this Release Agreement is being executed by the United States and Mary Taylor, Superintendent of the Ohio Department of Insurance, in her capacity as Liquidator for GTT ("Liquidator").

### **I. PARTIES**

The parties to this Release Agreement are the United States and the Liquidator (collectively, the "Parties").

### **II. RECITALS**

1. The Parties do not intend this Release Agreement to release any possible claims the United States may have or may acquire against anyone for tax, fraud (including, but not limited to, securities and pension benefit fraud), or criminal liabilities to the United States.
2. Except for the express terms of this Release Agreement, the Parties do not intend to create, enhance, diminish, defeat or otherwise affect such claims, if any, as the United States may have against the Liquidator or the estate of GTT.
3. The Parties understand that this Release Agreement may be subject to the approval of the Court, which is supervising the liquidation of GTT.
4. The United States enters into this Release Agreement in reliance upon the representations of the Chief Deputy Liquidator, Lynda Loomis, contained in her affidavit dated January 20, 2011, attached as Exhibit A to this Release Agreement ("Affidavit").



### **III. AGREEMENT**

1. Except only for possible federal tax, fraud, or criminal claims, the United States hereby releases and discharges the Liquidator and the estate of GTT from any and all liability under 31 U.S.C. § 3713(b) in connection with the GTT liquidation.

2. Under the terms of this Release Agreement, the United States or its duly authorized representative shall have the right, prior to the destruction of GTT's records in accordance with the orders of the Court, during normal business hours, on a date and at a location agreed upon by the Parties, to inspect, and if it wishes, to copy at its own expense, such documents, books, and records of the estate, and of the Liquidator, as shall be reasonably necessary to determine the existence and amount of claims the United States may have against the GTT estate, or to determine the Liquidator's compliance with the terms of this Release Agreement. No documents, books, or records of the estate or Liquidator may be destroyed unless notice is given to the United States of any motion filed with the Court requesting approval of the destruction. If the Liquidator does not request approval from the Court, she must obtain prior written authorization from the United States before destruction of any documents, books, or records of the estate or Liquidator.

3. Except for the express undertakings of the Liquidator and the United States in this Release Agreement, nothing in this Release Agreement shall be construed

(a) to establish or perfect any claims, substantive rights, or procedural rights of the United States;

(b) to limit, restrict, diminish, or defeat any claims, substantive rights, or procedural rights of the United States;

(c) to establish or perfect any objections or defenses, substantive rights, or procedural rights of the Liquidator; or

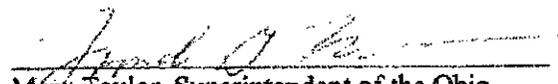
(d) to limit, restrict, diminish, or defeat any defenses, substantive rights, or procedural rights of the Liquidator.

4. The Parties agree that this Release Agreement shall not be effective unless and until it is approved by the Court, if approval is required, and the time for appeals of any such approval has expired. The Parties further agree to cooperate with each other in seeking prompt approval of this Release Agreement from the Court, including but not limited to making the necessary witnesses available for testimony considered necessary or appropriate to provide the Court with an adequate record upon which to approve this Release Agreement.

Dated: 4/7/11

  
By: Sharon C. Williams  
Trial Attorney  
Civil Division  
Department of Justice  
Attorney for the United States

Dated: 4/11/2011

  
Mary Taylor, Superintendent of the Ohio  
Department of Insurance, in her capacity as  
Liquidator of The Guarantee Title and Trust  
Company  
By: Lynda G. Loomis  
Chief Deputy Liquidator of  
The Guarantee Title and Trust Company

# Exhibit A

*Office of the Ohio Insurance Liquidator*  
**The Guarantee Title and Trust Company**  
**(In Liquidation)**

50 W. Town Street, 3<sup>rd</sup> Floor, Ste. 350  
Columbus, Ohio 43215-4197

Telephone: 614-487-9200  
Facsimile: 614-487-9418

**AFFIDAVIT OF CHIEF DEPUTY LIQUIDATOR**

January 20, 2011

I, Lynda G. Loomis, in my capacity as Chief Deputy Liquidator of The Guarantee Title and Trust Company, having been so appointed by the Court of Common Pleas of Franklin County, Ohio in Case No. 08CVH07-10725, *Hudson v. The Guarantee Title and Trust Company*, in its Order dated October 27, 2008, upon personal knowledge and information known to me or supplied to me by others upon whom I rely in my capacity as Chief Deputy Liquidator, make the following statement under oath:

1. The Guarantee Title and Trust Company (referred to as "GTT" or "the company") was an Ohio domiciled insurance company incorporated on April 28, 1899, that was licensed to and wrote title insurance in Ohio.
2. GTT's federal tax identification number is 31-4196950. There are no outstanding IRS claims against GTT.
3. GTT was authorized to transact title insurance and title agency business, operating under Ohio Revised Code Chapter 3953.
4. According to the Ohio Secretary of State's website, following its incorporation in 1899, the company operated under the name Title Insurance and Loan Company until 1905, when it changed its name to The Guarantee Title and Trust Company. In 1991, the company changed its name to Guarantee Title and Trust/ARTA, Inc., and then in 1993, it changed its name back to The Guarantee Title and Trust Company.
5. GTT was licensed to do business in the States of Ohio, Arizona, Arkansas, Illinois, Indiana, Maine, Michigan, Mississippi, Montana, Pennsylvania, South Carolina, South Dakota Florida, and Utah, and the District of Columbia.
6. At the time of its liquidation, GTT had one subsidiary, GQwest, Inc., 712 Abbot Road, East Lansing, MI 48823 (federal tax identification number 20-3211458), which operated as a title agency.
7. At the time of its liquidation, GTT was part of an insurance holding company system. GTT's stock was wholly-owned by Reliant Holding Company (federal tax identification number 83-6368904), which is a holding company domiciled in the state of Kansas.

Reliant Holding Company is in turn wholly-owned by Christopher M. Likens of 10479 Grenada Circle, Leawood, Kansas 66224.

8. Prior to its liquidation, GTT moved many of its operations and books and records from 8280 Montgomery Road, Ste. 200, Cincinnati, Ohio 45236 to 5370 W. 95th St., Prairie Village, Kansas 66207. At the time of liquidation, GTT also conducted title agency business at 6321 E. Livingston Avenue, Suite C, Reynoldsburg, OH 43068 and 4885 W. Spencerfield Road, Pace, Florida 32571.
9. GTT's records reflect that at various points in time, the precise time frames of which are unknown to me, GTT had office locations at the following addresses:

The Guarantee Title And Trust Company  
2055 Stringtown Road  
Grove City, Ohio 43123

TitleQuest Agency  
Search Department  
209 S. High Street, Suite 410  
Columbus, Ohio 43215

TitleQuest Agency  
Tri-County  
6321 E. Livingston Avenue, Suite C  
Reynoldsburg, Ohio 43068

TitleQuest Agency  
Cincinnati  
4010 Executive Park, Suite 320  
Cincinnati, Ohio 45241

TitleQuest Agency  
Grove City  
3669 Broadway, Suite B  
Grove City, Ohio 43123

TitleQuest Agency  
Cleveland  
4500 Rockside Road, Suite 120, Plaza 45  
Cleveland, Ohio 44131

The Guarantee Title And Trust Company  
325 Belcher Road North  
Clearwater, Florida 33765

The Guarantee Title And Trust Company  
4885 W. Spencerfield Road

Pace, Florida 32571

The Guarantee Title And Trust Company  
9265 Counselor's Row, Suite 109  
Indianapolis, Indiana 46240

The Guarantee Title And Trust Company  
843 North State Road 135  
Greenwood, Indiana 46142

The Guarantee Title And Trust Company  
1949 South Elizabeth, Suite B  
Kokomo, Indiana 46902

The Guarantee Title And Trust Company  
1240 Meridian Street  
Anderson, Indiana 46016

The Guarantee Title And Trust Company  
7895 Broadway, Suite T  
Merrillville, Indiana 46410

Katz Mobile Closing  
101 East Monroe Street  
Franklin, Indiana 46131

Complete Title Appraisals & Escrow (CTAEC)  
2650 Fairview Place, Suite W  
Greenwood, Indiana 46142

The Guarantee Title And Trust Company  
Huntington Bldg., 9420 Bunsen Parkway  
Louisville, Kentucky 40220

TitleQuest Agency  
1204 South Harrison Street  
Flint, Michigan 48502

TitleQuest Agency  
406 Seventh Street  
Bay City, Michigan 48708

TitleQuest Agency  
680 3-Mile Road, Suite C, N.W.  
Grand Rapids, Michigan 49544

TitleQuest Agency

3144 Davenport, Suite 100  
Saginaw, Michigan 48602

TitleQuest Agency  
6785 Telegraph Road, Suite 250  
Bloomfield Hills, Michigan 48301

Texas Gulf Title  
7500 San Felipe, Suite 990  
Houston, Texas 77063

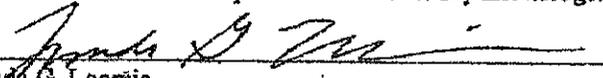
Texas Gulf Title  
10333 Richmond  
Houston, Texas 77042

Texas Gulf Title  
17390 Preston Road, Suite 280  
Dallas, Texas 75252

10. On October 27, 2008, GTT was found to be insolvent and ordered into liquidation proceedings pursuant to Ohio Revised Code Chapter 3903, under the jurisdiction of the Court of Common Pleas of Franklin County, Ohio. A copy of the GTT Liquidation Order is attached as Exhibit A and hereby incorporated by reference into this Affidavit.
11. To the best of my information and belief, GTT did not write title policies for the benefit of the federal government or any of its agencies.
12. There are no claims filed in the GTT liquidation proceeding by federal agencies as of the date of this affidavit. The claims filing deadline was October 27, 2009.
13. There were no environmental claims against GTT.
14. There are no open ancillary receiverships for GTT.
15. The claims list for GTT has been downloaded into a CD, a copy of which is provided with this Affidavit as Exhibit B, and hereby incorporated by reference into this Affidavit. The enclosed CD contains an excel spreadsheet listing of all Proofs of Claim issued by the Liquidator to persons who might have held a claim against GTT. Column A contains the Liquidator Number assigned to the POC issued; Column B indicates the date that the POC was returned for filing in the GTT estate (where it is blank, it means the POC was not returned and, thus, there is no claim); Columns C, D and E contain name information; Column F, G, H, I, and J contain address information.
16. A copy of the most recent statutory annual financial statement filed with the Ohio Department of Insurance and the Liquidator's financial statement and a copy of the last tax return for GTT are attached hereto as Exhibits C, D and E and hereby incorporated by reference into this Affidavit.

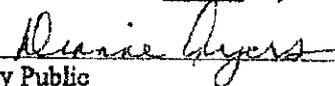
17. The Liquidator will close the GTT liquidation estate on or near June 30, 2011.

The information contained in this affidavit is accurate and complete to the best of my knowledge.

  
Lynda G. Loomis  
Chief Deputy Liquidator  
The Guarantee Title and Trust Company, in Liquidation

State of Ohio            )  
County of Franklin    ) SS

Lynda G. Loomis, Chief Deputy Liquidator, personally appeared before me and subscribed the foregoing Affidavit in my presence on this 20<sup>th</sup> day of January, 2011.

  
Notary Public



Dianne Ayers  
Notary Public, State of Ohio  
My Commission Expires 01-03-2018