

THE CIRCUIT COURT OF THE  
SECOND JUDICIAL CIRCUIT IN AND  
FOR LEON COUNTY, FLORIDA

State of Florida, ex rel., the  
Department of Financial Services of  
The State of Florida,  
Relator,  
v.

CASE NO.: 2009-CA-2577

National Title Insurance Company,  
A Florida Corporation,  
Respondent.

**RECEIVER'S STATUS REPORT AND MOTION FOR APPROVAL OF REVISED  
PLAN OF REHABILITATION AND CANCELLATION OF OUT OF STATE POLICIES**

The Florida Department of Financial Services, as Receiver of National Title Insurance Company (hereinafter "National Title"), by and through undersigned counsel, respectfully submits its Status Report and moves this honorable Court for an Order Approving the Receiver's Status Report and Motion for Approval of Revised Plan of Rehabilitation as set forth herein and, as good cause therefore would show:

1. National Title is a corporation that has been authorized pursuant to the Florida Insurance Code to transact business in the state of Florida as a title insurer since July 31, 1936. National Title's principal place of business was located at 151 SW 27<sup>th</sup> Avenue, Miami, FL 33135.

2. On July 6, 2009, the Second Judicial Circuit Court in and for Leon County, Florida (the "Court") appointed the Florida Department of Financial Services as Receiver of National Title Insurance Company for the purposes of rehabilitation. *A copy of the July 6, 2009, Rehabilitation Order is attached as Exhibit "A."*

3. Pursuant to Florida Statutes and as provided for in the Rehabilitation Order, the Receiver is conducting the business of National Title and taking all steps, as the Court may direct, toward the removal of the causes and conditions which have made the rehabilitation necessary, and taking such further action, as the Receiver deems necessary or appropriate, to reform and revitalize National Title.

4. On October 13, 2009, the Receiver filed a Status Report and Motion for Approval of Rehabilitation Plan. This Court approved the Status Report and Plan of Rehabilitation on October 16, 2009. The proposed revisions to the Status Report and Plan of Rehabilitation are a result of changes to the status of National Title as well as substantial changes to the Florida Statutes.

(A). **FINANCIAL CONDITION**

5. National Title continues to be financially impaired in that its surplus remains under the required minimum \$1,500,000.00 mandated by Florida Statutes. *A copy of National Title's most current financial statement March 31, 2012 is incorporated herein as Exhibit "B".*

6. The Receiver continues to reduce expenses in the estate while maintaining the ability to maximize value to claimants.

7. The Receiver has recovered the statutory deposit held by Florida, South Carolina and Louisiana. The following deposits remain outstanding:

| <u>STATE</u> | <u>DEPOSIT AMOUNT</u> |
|--------------|-----------------------|
| Georgia      | \$25,000              |
| Alabama      | \$50,000              |

(B). **CLAIMS**

8. The Receiver has been able to reduce the number of open claims to 12 as of May 31, 2012. The Receiver continues to settle claims in an effort to resolve and reduce National Title's outstanding claims liability.

(C). **LEGAL ACTIONS**

9. Claim litigation in which National Title is named as a defendant was stayed pursuant to the Rehabilitation Order. However, claims which specifically name an insured of National Title as a defendant are still being litigated; the Receiver continues to evaluate these lawsuits for future resolutions.

(E). **ASSET RECOVERY**

10. The Receiver has continued to collect amounts it believes are due to the company from agents, past due invoices, and accounts receivable for services performed prior to and during the Rehabilitation Order.

(F). **NEW STATUTE SECTION 631.400, FLORIDA STATUTES**

11. On July 1, 2011, a new Florida Statute relating to the rehabilitation of title insurance companies took effect. Section 631.400, Florida Statutes, gives the Receiver of National Title additional responsibilities and options for the rehabilitation of National Title.

12. Section 631.400, Florida Statutes, requires the Receiver to file a plan of rehabilitation for approval by the court, and lists several requirements that the plan must meet. Each requirement is addressed below.

(G). **REVISED PLAN OF REHABILITATION**

13. Pursuant to Sections 631.400 (1) (a), Florida Statutes, National Title policies on real property located in Florida shall remain in force.

14. Pursuant to Section 631.400 (1) (b), Florida Statutes, the Receiver proposes cancelling National Title policies on real property located outside of Florida. Currently, National Title has 2,654 policies in Alabama, 1,683 policies in Georgia, and 82 policies in Tennessee. The Receiver has confirmed that the listed states do not have any statutory provision to pay future losses on the National Title policies in those states. The Receiver asks that the out of state policies be cancelled effective immediately as of the date of entry of the order approving the Receiver's Revised Plan of Rehabilitation. *A copy of the Notice of Cancellation is attached as Exhibit "C."*

15. In order to provide broad disclosure and ensure all persons affected by the cancellation receive notice, the Receiver also proposes circulating notice through the following publications:

*The Atlanta Journal Constitution*  
*The Birmingham News*  
*The Knoxville News Sentinel*  
*The Memphis Daily News*  
*The Mobile Press-Register*  
*The Montgomery Advertiser*  
*The Tennessee Tribune (Nashville, TN)*

16. Pursuant to Section 631.400 (1) (c), Florida Statutes, the Receiver asks that this Court set a claims filing deadline for the cancelled policies in Alabama, Georgia, and Tennessee. The Receiver asks that the claims filing deadline for the

cancelled out of state policies be set for one (1) year from the date of the order approving the Receiver's Revised Plan of Rehabilitation.

17. Pursuant to Sections 631.400 (1) (d), Florida Statutes, the Receiver asks the Court to approve the following proposed percentage of the remaining assets of National Title to fund claims on the cancelled out of state policies:

Alabama – 8.57%;  
Georgia – 6.65%; and  
Tennessee – 0.03%

Pursuant to Section 631.400 (1) (f), Florida Statutes, the proposed allocation is based upon the pro-rata share of premium written in each state over the 5 years preceding the entry of the rehabilitation order. Any unused funds will be returned to the general assets of the estate.

18. As part of the Receiver's continuing efforts to maximize value to claimants, the Receiver plans to contact GA and AL to discuss the release of the statutory funds being held by Georgia (\$25,000.00) and Alabama (\$50,000.00). These funds will be used for the payment of claims filed prior to the one year claim filing deadline as set by the court, in the respective state. Any remaining funds after the payment of these claims, will become a general asset of the National Title Receivership Estate.

19. Sections 631.400 (2), Florida Statutes, now authorizes the assessment of Florida's title insurance companies to pay the claims and expenses of a title insurance company that has been ordered into rehabilitation.

20. The Receiver has evaluated the potential claims and expenses in the National Title estate and recommends the court approve a request for an assessment for the remainder of 2012 in the amount of \$212,478.00 (National Title Ins. Co. Cash

Flow Projection, attached hereto as Exhibit “D”) Upon approval, the Receiver will, pursuant to Sections 631.400 (3), Florida Statutes, request that the Office of Insurance Regulation order the approved assessment.

21. The Receiver recommends that the Court grant it the authority to continue to request assessments from the Office of Insurance Regulation on an annual basis until no more policies of the title insurer in rehabilitation are in force or the potential future liability has been satisfied. See 631.400 (3), *Florida Statutes*.

(H). **MISCELLANEOUS ISSUES**

22. The Receiver has reduced operational costs in the receivership to a minimal amount and will continue to look for ways to lower the overall costs to the estate.

23. The Receiver recommends that the rehabilitation continue as it continues to pursue all avenues to protect the interests of policyholders, creditors and other claimants, and the public by keeping the Florida policies in effect.

24. As authorized by the Consent Order and Chapter 631, Florida Statutes (2009), the Receiver is continuing efforts to collect funds, assets, or property that it determines to rightfully be property of the estate. These efforts are inclusive of, but not necessarily limited to, the resolution of reinsurance balance issues, collection activities, and the collection of any other property or asset determined to belong to the estate. The Receiver further recommends that it be authorized to continue these asset recovery efforts as part of this plan of rehabilitation so that potential assets may be made available to the estate and its value maximized for claimants.

25. The Receiver recommends that all provisions of the original Plan of Rehabilitation not modified by the Revised Plan of Rehabilitation remain in effect.

**WHEREFORE**, the Receiver respectfully requests that this Court enter an Order accepting the Status report, and approve the Revised of Plan of Rehabilitation.

Dated this 10<sup>th</sup> day of July, 2012.

s/ Yamile Benitez-Torviso

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Yamile Benitez-Torviso, Senior Attorney  
Florida Bar No. 0151726  
Florida Department of Financial Services  
Division of Rehabilitation and Liquidation  
8240 NW 52 Terrace, Suite 102,  
Doral, FL 33166  
(786) 336-1382 – Telephone  
(305) 499-2271 – Facsimile

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that the RECEIVER'S STATUS REPORT AND MOTION FOR APPROVAL OF REVISED PLAN OF REHABILITATION AND CANCELLATION OF OUT OF STATE POLICIES has been sent by U.S. Mail this 10<sup>th</sup> day of July, 2012 to:  
Mark S. Levine, Esquire, Levine & Stivers, 245 E. Virginia Street, Tallahassee, FL 32301.

s/ Yamile Benitez-Torviso

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Yamile Benitez-Torviso, Esquire

IN THE CIRCUIT COURT OF THE  
SECOND JUDICIAL CIRCUIT IN AND  
FOR LEON COUNTY, FLORIDA

State of Florida, ex rel., the  
Department of Financial Services of  
the State of Florida,

Relator,

CASE NO.: 2009-CA-2577

v.

National Title Insurance Company,  
a Florida corporation,

Respondent.

**CONSENT ORDER APPOINTING THE FLORIDA DEPARTMENT OF  
FINANCIAL SERVICES AS RECEIVER FOR PURPOSES OF REHABILITATION,  
INJUNCTION, AND NOTICE OF AUTOMATIC STAY**

THIS CAUSE was considered on the Petition of the State of Florida, Department of Financial Services (hereinafter the "Department") for entry of a consent order of rehabilitation of National Title Insurance Company. The Court having reviewed the pleadings of record, having heard presentation of counsel, and otherwise being fully informed in the premises, finds:

1. National Title Insurance Company (hereinafter "Respondent") is a corporation authorized pursuant to the Florida Insurance Code to transact business in the state of Florida as a domestic title insurer. Respondent's principal place of business as listed in its 2009 For Profit Corporation Annual Report with the Florida Department of State, Division of Corporations, as 151 SW 27<sup>th</sup> Avenue, Miami, FL 33135.



2. Section 631.021(3), Florida Statutes, provides that a delinquency proceeding pursuant to Chapter 631, Florida Statutes, constitutes the sole and exclusive method of liquidating, rehabilitating, reorganizing, or conserving a Florida domiciled insurer.

3. Section 631.051(11), Florida Statutes, authorizes the Department to apply to this Court for an order directing it to rehabilitate a domestic insurer upon the ground that the insurer has consented to such an order through a majority of its directors, stockholders, members, or subscribers. Respondent has consented to the appointment of the Department as Receiver for purposes of rehabilitation. It is in the best interests of Respondent and its creditors and insureds that the relief requested in the petition be granted.

**THEREFORE, IT IS ORDERED AND ADJUDGED** as follows:

4. The Department of Financial Services of the State of Florida is appointed Receiver of Respondent for purposes of rehabilitation and that the Receiver is authorized and directed to:

A. Conduct the business of Respondent and take all steps, as the Court may direct, toward the removal of the causes and conditions which have made this Order of Rehabilitation necessary and to take such further action, as the Receiver deems necessary or appropriate, to reform and revitalize the Respondent.

B. Take immediate possession of all the property, assets, and estate, and all other property of every kind whatsoever and wherever located, belonging to Respondent, pursuant to Section 631.141, Florida Statutes, including but not limited to: offices maintained by the Respondent, rights of action, books, papers, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and equipment, and all real

property of Respondent, wherever situated, whether in the possession of Respondent or its officers, directors, trustees, employees, consultants, attorneys, agents, affiliates, or other persons.

C. Employ and authorize the compensation of legal counsel, actuaries, accountants, clerks, consultants, and such assistants as it deems necessary, purchase or lease personal or real property as it deems necessary, and authorize the payment of the expenses of these proceedings and the necessary incidents thereof, as approved by the Court, to be paid out of the funds or assets of the Respondent in the possession of the Receiver or coming into its possession.

D. Reimburse such employees, from the funds of this receivership, for their actual necessary and reasonable expenses incurred while traveling on the business of this receivership.

E. Not defend or accept service of process on legal actions wherein the Respondent, the Receiver, or the insured is a party defendant, commenced either prior to or subsequent to the order, without authorization of this Court; except, however, in actions where Respondent is a nominal party, as in certain foreclosure actions, and the action does not affect a claim against or adversely affect the assets of Respondent, the Receiver may file appropriate pleadings in its discretion.

F. Commence and maintain all legal actions necessary, wherever necessary, for the proper administration of this receivership proceeding.

G. Collect all debts that are economically feasible to collect which are due and owing to the Respondent.

H. Deposit funds and maintain bank accounts.

I. Take possession of all Respondent's securities and certificates of deposit on deposit with the Chief Financial Officer of Florida, if any, and convert to cash as much as may be necessary, in its judgment, to pay the expenses of administration of this receivership or otherwise best benefit the estate.

J. Apply to this Court for further instructions in the discharge of its duties as may be necessary.

K. For purposes of this Order, the term "affiliate" shall be defined in accordance with Section 631.011(1), Florida Statutes.

**IT IS FURTHER ORDERED AND DIRECTED:**

5. Any officer, director, manager, trustee, administrator, attorney, agent, accountant, actuary, broker, employee, adjuster, independent contractor, or affiliate of Respondent and any other person who possesses or possessed any executive authority over, or who exercises or exercised any control over, any segment of Respondent's affairs or the affairs of its affiliates is required to fully cooperate with the Receiver, pursuant to Section 631.391, Florida Statutes. Any person who fails to cooperate with the Receiver, interferes with the Receiver, or fails to follow the instructions of the Receiver, may be excluded from the building where the Respondent's offices are located at the Receiver's discretion.

6. Title to all property, real or personal, all contracts, rights of action and all books and records of Respondent, wherever located, is vested in the Receiver pursuant to Section 631.141, Florida Statutes.

7. The Receiver is granted all of the powers of the Respondent's directors, officers, and managers, whose authority shall be suspended, except as such powers are re-delegated in writing by the Receiver. The Receiver has full power to direct and manage the affairs of

Respondent, to hire and discharge employees, and to deal with the property and business of the Respondent.

8. All attorneys employed by Respondent as of the date of the Order, within 10 days of receiving notice of this Order, are required to report to the Receiver on the name, company claim number and status of each file they are handling on behalf of the Respondent. Said report should also include an accounting of any funds received from or on behalf of the Respondent. All attorneys employed by Respondent are advised that pursuant to Sections 631.011(17) and 631.011(21), Florida Statutes, a claim based on mere possession does not create a secured claim and all attorneys employed by Respondent, pursuant to In Re the Receivership of Syndicate Two, Inc., 538 So.2d 945 (Fla. 1<sup>st</sup> DCA 1989), who are in possession of litigation files or other material, documents or records belonging to or relating to work performed by the attorney on behalf of Respondent are required to deliver such litigation files, material, documents or records intact and without purging to the Receiver, on request, notwithstanding any claim of a retaining lien which, if otherwise valid, should not be extinguished by the delivery of these documents.

9. All agents, brokers or other persons having sold policies of insurance and/or collected premiums on behalf of the Respondent are required to account for and pay all premiums and commissions unearned due to cancellation of policies in the normal course of business owed to the Respondent directly to the Receiver within 30 days of demand by the Receiver or appear before this Court to show cause, if any they may have, as to why they should not be required to account to the Receiver or be held in contempt of Court for violation of the provisions of the Order. No agent, broker, premium finance company or other person should use premium monies owed to the Respondent for refund of unearned premium or for any purpose other than payment to the Receiver.

10. Any premium finance company, which has entered into a contract to finance a premium for a policy, which has been issued by the Respondent, is required to pay any premium owed to the Respondent directly to the Receiver.

11. Reinsurance premiums due to or payable by the Respondent shall be remitted to, or disbursed by, the Receiver. The Receiver shall handle reinsurance losses recoverable or payable by the Respondent. All correspondence concerning reinsurance shall be between the Receiver and the reinsuring company or intermediary.

12. Upon request by the Receiver, any company providing telephonic services to the Respondent is directed to provide a reference of calls from the number presently assigned to the Respondent to any such number designated by the Receiver or perform any other services or changes necessary to the conduct of the receivership.

13. Any bank, savings and loan association, financial institution or other person which has on deposit, in its possession, custody or control any funds, accounts and any other assets of the Respondent is directed to immediately transfer title, custody and control of all such funds, accounts and other assets to the Receiver. The Receiver is authorized to change the name of such accounts and other assets, withdraw them from such bank, savings and loan association or other financial institution, or take any lesser action necessary for the proper conduct of this receivership. No bank, savings and loan association or other financial institution shall be permitted to exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control unless and until obtaining an order from this Court authorizing such action.

14. Any entity furnishing telephone, water, electric, sewage, garbage or trash removal services to the Respondent is required to maintain such service and transfer any such accounts to the Receiver as of the date of the Order, unless instructed to the contrary by the Receiver.

15. Any data processing service not affiliated with National Title Insurance Company which has custody or control of any data processing information and records including but not limited to source documents, data processing cards, input tapes, all types of storage information, master tapes or any other recorded information relating to the Respondent is directed to transfer custody and control of such records to the Receiver. The Receiver is authorized to compensate any such entity for the actual use of hardware and software, which the Receiver finds to be necessary to this proceeding. Compensation should be based upon the monthly rate provided for in contracts or leases with Respondent which were in effect when this proceeding was instituted, or based upon such contract as may be negotiated by the Receiver, for the actual time such equipment and software is used by the Receiver.

16. The United States Postal Service is directed to provide any information requested by the Receiver regarding the Respondent and to handle future deliveries of Respondent's mail as directed by the Receiver.

17. All insurance policies, bonds or similar contracts of coverage issued by the Respondent shall remain in full force and effect until they are cancelled.

18. All affiliated companies and associations are directed to make their books and records available to the Receiver, to include all records located in any premises occupied by said affiliate, whether corporate records or not, and to provide copies of any records requested by the Receiver whether or not such records are related to Respondent. The Receiver has title to all policy files and other records of, and relating to Respondent, whether such documents are kept in

offices occupied by an affiliate company or any other person, corporation, or association. The Receiver is authorized to take possession of any such records, files, and documents, and to remove them to any location in the Receiver's discretion. Any disputed records shall not be withheld from the Receiver's review, but should be safeguarded and presented to this Court for review prior to removal by the Receiver.

19. The Receiver shall have complete access to and control of all computer records of the Respondent and its affiliates at all times. Each affiliate shall be given reasonable access to such records for the purpose of carrying out its business operations.

20. Any person, firm, corporation or other entity having notice of the Order that fails to abide by its terms is directed to appear before this Court to show good cause, if any they may have, as to why they should not be held in contempt of Court for violation of the provisions of this Order.

21. Pursuant to Sections 631.041(3) and (4), Florida Statutes, all persons, firms, corporations and associations within the jurisdiction of this Court, including, but not limited to, Respondent and its officers, directors, stockholders, members, subscribers, agents and employees, are enjoined and restrained: from the further transaction of the insurance business of the Respondent; from doing, doing through omission, or permitting to be done any action which might waste or dispose of the books, records and assets of the Respondent; from by any means interfering with the Receiver or these proceedings; from the transfer of property and assets of Respondent without the consent of the Receiver; from the removal, concealment, or other disposition of Respondent's property, books, records, and accounts; from the commencement or prosecution of any actions against the Respondent or the Receiver together with its agents or employees, the service of process and subpoenas, or the obtaining of preferences, judgments,

writs of attachment or garnishment or other liens; and, from the making of any levy or execution against Respondent or any of its property or assets. Notwithstanding the provisions of this paragraph, the Receiver is permitted to accept and be subpoenaed for non-party production of claims files in its possession, including medical records, which may be contained therein. In such cases, the requesting party must submit an affidavit to the Receiver stating that notice of the non-party production was appropriately issued and provided to the patient and that the patient was given the opportunity to object and either did not object to the non-party production, or objected and the Court overruled the objection, in which case a copy of the Court's ruling must be attached to the affidavit. The Receiver is authorized to impose a charge for copies of such claim files pursuant to the provisions of Sections 119.07, and 624.501, Florida Statutes.

22. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with National Title Insurance Company shall fully cooperate with the Receiver in the effort to rehabilitate National Title Insurance Company.

23. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with National Title Insurance Company having any interest in the building located at: 151 SW 27<sup>th</sup> Avenue, Miami, FL 33135, or any other facility in which National Title Insurance Company may operate, shall make available, at that location and at no charge to the Receiver or to National Title Insurance Company, office space, and related facilities (telephone service, copiers, computer equipment and software, office supplies, parking, etc.) to the extent deemed necessary by the Receiver in its sole discretion.

24. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with National Title Insurance Company having any interest in the computer equipment and software currently used by or for National Title Insurance Company



shall make such computer equipment and software available to the Receiver at no charge to the Receiver or National Title Insurance Company to the extent deemed necessary by the Receiver in its sole discretion.

25. Except for contracts of insurance, all executory contracts to which the Respondent was a party shall be cancelled and stand cancelled unless specifically adopted by the Receiver within ninety (90) days of the date of this Order or from the date of the Receiver's actual knowledge of the existence of such contract, whichever is later. "Actual Knowledge" means the Receiver has in its possession the original of a written contract to which the Respondent is a party, and the Receiver has notified the vendor in writing acknowledging the existence of the contract. **Any vendor, including but not limited to, any and all employees and contractors of insurer, claiming the existence of a contractual relationship with the insurer shall provide notice to the Receiver of such relationship.** This notice shall include any and all documents and information regarding the terms and conditions of the contract, including a copy of the written contract between the vendor and the insurer, if any, what services or goods were provided pursuant to the contract, any current, future and/or past due amounts owing under the contract, and any supporting documentation for third party services or goods provided. Failure to provide the required information may result in vendors' contractual rights not being recognized by the Receiver. The rights of the parties to any such contracts are fixed as of the date of the Order and any cancellation under this provision shall not be treated as an anticipatory breach of such contracts.

#### **CONTINUATION OF INVESTIGATION**

26. The Receiver is authorized to conduct an investigation of Respondent and its affiliates, as defined above, to uncover and make fully available to the Court the true state of Respondent's financial affairs. In furtherance of this investigation, Respondent's parent

corporations, its subsidiaries, and affiliates are required to make all books, documents, accounts, records, and affairs, which either belong to or pertain to the Respondent, available for full, free and unhindered inspection and examination by the Receiver during normal business hours (8:00 a.m. to 5:00 p.m.) Monday through Friday, from the date of the Order. The above-specified entities are required to cooperate with the Receiver to the fullest extent required by Section 631.391, Florida Statutes. Such cooperation should include, but not be limited to, the taking of oral testimony under oath of Respondent's officers, directors, managers, trustees, agents, adjusters, employees, or independent contractors of Respondent, its affiliates and any other person who possesses any executive authority over, or who exercises any control over, any segment of the affairs of Respondent in both their official, representative and individual capacities and the production of all documents that are calculated to disclose the true state of Respondent's affairs.

27. Any officer, director, manager, trustee, administrator, attorney, agent, accountant, actuary, broker, employee, adjuster, independent contractor, or affiliate of Respondent and any other person who possesses or possessed any executive authority over, or who exercises or exercised any control over, any segment of the affairs of Respondent or its affiliates is directed to fully cooperate with the Receiver as required by Section 631.391, Florida Statutes, and as set out in the preceding paragraph. Upon receipt of a certified copy of the Order, any bank or financial institution is directed to immediately disclose to the Receiver the existence of any accounts of Respondent and any funds contained therein and any and all documents in its possession relating to Respondent for the Receiver's inspection and copying.

28. All Sheriffs and all law enforcement officials of this state shall cooperate with and assist the Receiver in the implementation of this Order.

29. In the event the Receiver determines that reorganization, consolidation, conversion, reinsurance, merger, or other transformation of the Respondent is appropriate, the Receiver shall prepare a plan to effect such changes and submit the plan to this Court for consideration.

30. Upon petition by the Receiver stating that further efforts to rehabilitate Respondent would be useless, this Court will consider entry of an order of liquidation of Respondent.

### **NOTICE OF AUTOMATIC STAY**

31. Notice is hereby given that, pursuant to Section 631.041(1), Florida Statutes, the filing of the Department's initial petition herein operates as an automatic stay applicable to all persons and entities, other than the Receiver, which shall be permanent and survive the entry of the order, and which prohibits:

A. The commencement or continuation of judicial, administrative or other action or proceeding against the insurer or against its assets or any part thereof;

B. The enforcement of a judgment against the insurer or an affiliate obtained either before or after the commencement of the delinquency proceeding;

C. Any act to obtain possession of property of the insurer;

D. Any act to create, perfect or enforce a lien against property of the insurer, except a secured claim as defined in Section 631.011(21), Florida Statutes;

E. Any action to collect, assess or recover a claim against the insurer, except claims as provided for under Chapter 631;

F. The set-off or offset of any debt owing to the insurer except offsets as provided in Section 631.281, Florida Statutes.

32. This Court retains jurisdiction of this cause for the purpose of granting such other and further relief as from time to time shall be deemed appropriate.

**DONE and ORDERED** in Chambers at the Leon County Courthouse in Tallahassee, Leon County, Florida this 10th day of July, 2009.

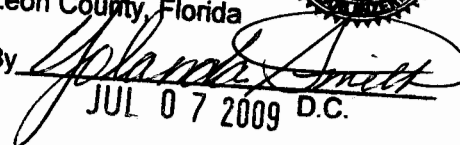
  
CIRCUIT JUDGE

A Certified Copy  
Attest:

**Bob Inzer**

Clerk Circuit Court  
Leon County, Florida

By

  
JUL 07 2009 D.C.



ASSETS

|  | Current Statement Date |                                |  | 4<br><br>December 31<br>Prior Year Net<br>Admitted Assets |
|--|------------------------|--------------------------------|--|---|
|  | 1<br><br>Assets        | 2<br><br>Nonadmitted<br>Assets | 3<br><br>Net Admitted<br>Assets<br>(Cols. 1 - 2) |   |
| 1. Bonds   |                        |                                |  |   |
| 2. Stocks:   |                        |                                |  |   |
| 2.1 Preferred stocks   |                        |                                |  |   |
| 2.2 Common stocks  |                        |                                |  |   |
| 3. Mortgage loans on real estate:  |                        |                                |  |   |
| 3.1 First liens  |                        |                                |  |   |
| 3.2 Other than first liens   |                        |                                |  |   |
| 4. Real estate:  |                        |                                |  |   |
| 4.1 Properties occupied by the company (less \$ {0 } encumbrances)   |                        |                                |  |   |
| 4.2 Properties held for the production of income (less \$ {0 } encumbrances)   |                        |                                |  |   |
| 4.3 Properties held for sale (less \$ {0 } encumbrances)   |                        |                                |  |   |
| 5. Cash (\$ {309,625 } ), cash equivalents (\$ {75,007 } ), and short-term investments (\$ {0 } )  | 384,632                |                                | 384,632  | 404,899   |
| 6. Contract loans (including \$ {0 } premium notes)  |                        |                                |  |   |
| 7. Derivatives   |                        |                                |  |   |
| 8. Other invested assets   |                        |                                |  |   |
| 9. Receivables for securities  |                        |                                |  |   |
| 10. Securities lending reinvested collateral assets  |                        |                                |  |   |
| 11. Aggregate write-ins for invested assets  |                        |                                |  |   |
| 12. Subtotals, cash and invested assets (Lines 1 to 11)  | 384,632                |                                | 384,632  | 404,899   |
| 13. Title plants less \$ {0 } charged off (for Title insurers only)  |                        |                                |  |   |
| 14. Investment income due and accrued  | 866                    |                                | 866  | 383   |
| 15. Premiums and considerations:   |                        |                                |  |   |
| 15.1 Uncollected premiums and agents' balances in the course of collection   |                        |                                |  |   |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ {0 } earned but unbilled premiums) |                        |                                |  |   |
| 15.3 Accrued retrospective premiums  |                        |                                |  |   |
| 16. Reinsurance:   |                        |                                |  |   |
| 16.1 Amounts recoverable from reinsurers   |                        |                                |  |   |
| 16.2 Funds held by or deposited with reinsured companies   |                        |                                |  |   |
| 16.3 Other amounts receivable under reinsurance contracts  |                        |                                |  |   |
| 17. Amounts receivable relating to uninsured plans   |                        |                                |  |   |
| 18.1 Current federal and foreign income tax recoverable and interest thereon   |                        |                                |  |   |
| 18.2 Net deferred tax asset  |                        |                                |  |   |
| 19. Guaranty funds receivable or on deposit  |                        |                                |  |   |
| 20. Electronic data processing equipment and software  |                        |                                |  |   |
| 21. Furniture and equipment, including health care delivery assets (\$ {0 } )  |                        |                                |  |   |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates   |                        |                                |  |   |
| 23. Receivables from parent, subsidiaries and affiliates   |                        |                                |  |   |
| 24. Health care (\$ {0 } ) and other amounts receivable  |                        |                                |  |   |
| 25. Aggregate write-ins for other than invested assets   |                        |                                |  |   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)                                 | 385,498                |                                | 385,498  | 405,282   |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts  |                        |                                |  |   |
| 28. Total (Lines 26 and 27)  | 385,498                |                                | 385,498  | 405,282   |

| DETAILS OF WRITE-IN LINES   |  |  |  |  |
|---|--|--|--|--|
| 1101.   |  |  |  |  |
| 1102.   |  |  |  |  |
| 1103.   |  |  |  |  |
| 1198. Summary of remaining write-ins for Line 11 from overflow page |  |  |  |  |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)    |  |  |  |  |
| 2501.   |  |  |  |  |
| 2502.   |  |  |  |  |
| 2503.   |  |  |  |  |
| 2598. Summary of remaining write-ins for Line 25 from overflow page |  |  |  |  |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)    |  |  |  |  |

LIABILITIES, SURPLUS AND OTHER FUNDS

|   | 1                         | 2                         |
|---|---------------------------|---------------------------|
|   | Current<br>Statement Date | December 31<br>Prior Year |
| 1. Known claims reserve   | 271,750                   | 455,650                   |
| 2. Statutory premium reserve  | 220,512                   | 233,119                   |
| 3. Aggregate of other reserves required by law  |                           |                           |
| 4. Supplemental reserve   |                           |                           |
| 5. Commissions, brokerage and other charges due or accrued to attorneys, agents and real estate brokers |                           |                           |
| 6. Other expenses (excluding taxes, licenses and fees)  | 206,376                   | 200,797                   |
| 7. Taxes, licenses and fees (excluding federal and foreign income taxes)                                | 4,571                     | 4,571                     |
| 8.1 Current federal and foreign income taxes (including \$ {0 } on realized capital gains (losses))     |                           |                           |
| 8.2 Net deferred tax liability  |                           |                           |
| 9. Borrowed money \$ {6,402 } and interest thereon \$ {291 }  | 6,693                     | 6,610                     |
| 10. Dividends declared and unpaid   |                           |                           |
| 11. Premiums and other consideration received in advance  |                           |                           |
| 12. Unearned interest and real estate income received in advance  |                           |                           |
| 13. Funds held by company under reinsurance treaties  |                           |                           |
| 14. Amounts withheld or retained by company for account of others                                       | 61,382                    | 61,382                    |
| 15. Provision for unauthorized reinsurance  |                           |                           |
| 16. Net adjustments in assets and liabilities due to foreign exchange rates                             |                           |                           |
| 17. Drafts outstanding  |                           |                           |
| 18. Payable to parent, subsidiaries and affiliates  |                           |                           |
| 19. Derivatives   |                           |                           |
| 20. Payable for securities  |                           |                           |
| 21. Payable for securities lending  |                           |                           |
| 22. Aggregate write-ins for other liabilities   |                           |                           |
| 23. Total liabilities (Lines 1 through 22)  | 771,284                   | 962,129                   |
| 24. Aggregate write-ins for special surplus funds   |                           |                           |
| 25. Common capital stock  | 1,600,000                 | 1,600,000                 |
| 26. Preferred capital stock   | 215,639                   | 215,639                   |
| 27. Aggregate write-ins for other than special surplus funds  |                           |                           |
| 28. Surplus notes   |                           |                           |
| 29. Gross paid in and contributed surplus   |                           |                           |
| 30. Unassigned funds (surplus)  | (2,201,425)               | (2,372,486)               |
| 31. Less treasury stock, at cost:   |                           |                           |
| 31.1 {0 } shares common (value included in Line 25 \$ {0 })   |                           |                           |
| 31.2 {0 } shares preferred (value included in Line 26 \$ {0 })  |                           |                           |
| 32. Surplus as regards policyholders (Lines 24 to 30 less 31)   | (385,786)                 | (556,847)                 |
| 33. Totals (Page 2, Line 28, Col. 3)  | 385,498                   | 405,282                   |

| DETAILS OF WRITE-INS  |  |  |
|---|--|--|
| 0301.   |  |  |
| 0302.   |  |  |
| 0303.   |  |  |
| 0398. Summary of remaining write-ins for Line 03 from overflow page |  |  |
| 0399. Totals (Lines 0301 through 0303 plus 0398) (Line 03 above)    |  |  |
| 2201.   |  |  |
| 2202.   |  |  |
| 2203.   |  |  |
| 2298. Summary of remaining write-ins for Line 22 from overflow page |  |  |
| 2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)    |  |  |
| 2401.   |  |  |
| 2402.   |  |  |
| 2403.   |  |  |
| 2498. Summary of remaining write-ins for Line 24 from overflow page |  |  |
| 2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)    |  |  |
| 2701.   |  |  |
| 2702.   |  |  |
| 2703.   |  |  |
| 2798. Summary of remaining write-ins for Line 27 from overflow page |  |  |
| 2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)    |  |  |

OPERATIONS AND INVESTMENT EXHIBIT

| STATEMENT OF INCOME   | 1                       | 2                     | 3                               |
|---|-------------------------|-----------------------|---------------------------------|
|   | Current Year<br>To Date | Prior Year<br>To Date | Prior Year Ended<br>December 31 |
| OPERATING INCOME  |                         |                       |                                 |
| 1. Title insurance and related income:  |                         |                       |                                 |
| 1.1 Title insurance premiums earned   | 12,607                  | 12,607                | 50,430                          |
| 1.2 Escrow and settlement services  |                         |                       |                                 |
| 1.3 Other title fees and service charges  |                         |                       |                                 |
| 2. Aggregate write-ins for other operating income   |                         | 2,545                 | 2,545                           |
| 3. Total Operating Income (Lines 1 through 2)   | 12,607                  | 15,152                | 52,975                          |
| DEDUCT:   |                         |                       |                                 |
| 4. Losses and loss adjustment expenses incurred   | (183,900)               | 100,593               | (32,258)                        |
| 5. Operating expenses incurred  | 27,765                  | 41,726                | 176,981                         |
| 6. Aggregate write-ins for other operating deductions   |                         |                       |                                 |
| 7. Total Operating Deductions   | (156,135)               | 142,319               | 144,723                         |
| 8. Net operating gain or (loss) (Lines 3 minus 7)   | 168,742                 | (127,167)             | (91,748)                        |
| INVESTMENT INCOME   |                         |                       |                                 |
| 9. Net investment income earned   | 2,319                   | 2,110                 | 10,025                          |
| 10. Net realized capital gains (losses) less capital gains tax of \$ {0 }                             |                         |                       |                                 |
| 11. Net investment gain (loss) (Lines 9 + 10)   | 2,319                   | 2,110                 | 10,025                          |
| OTHER INCOME  |                         |                       |                                 |
| 12. Aggregate write-ins for miscellaneous income or (loss)  |                         |                       |                                 |
| 13. Net income, after capital gains tax and before all other federal income taxes (Lines 8 + 11 + 12) | 171,061                 | (125,057)             | (81,723)                        |
| 14. Federal and foreign income taxes incurred   |                         |                       |                                 |
| 15. Net income (Lines 13 minus 14)  | 171,061                 | (125,057)             | (81,723)                        |
| CAPITAL AND SURPLUS ACCOUNT   |                         |                       |                                 |
| 16. Surplus as regards policyholders, December 31 prior year  | (556,847)               | (484,726)             | (484,726)                       |
| 17. Net income (from Line 15)   | 171,061                 | (125,057)             | (81,723)                        |
| 18. Change in net unrealized capital gains or (losses) less capital gains tax of \$ {0 }              |                         |                       |                                 |
| 19. Change in net unrealized foreign exchange capital gain (loss)                                     |                         |                       |                                 |
| 20. Change in net deferred income taxes   |                         |                       |                                 |
| 21. Change in nonadmitted assets  |                         |                       |                                 |
| 22. Change in provision for unauthorized reinsurance  |                         |                       |                                 |
| 23. Change in supplemental reserves   |                         |                       |                                 |
| 24. Change in surplus notes   |                         |                       |                                 |
| 25. Cumulative effect of changes in accounting principles   |                         |                       |                                 |
| 26. Capital Changes:  |                         |                       |                                 |
| 26.1 Paid in  |                         |                       |                                 |
| 26.2 Transferred from surplus (Stock Dividend)  |                         |                       |                                 |
| 26.3 Transferred to surplus   |                         |                       |                                 |
| 27. Surplus Adjustments:  |                         |                       |                                 |
| 27.1 Paid in  |                         |                       |                                 |
| 27.2 Transferred to capital (Stock Dividend)  |                         |                       |                                 |
| 27.3 Transferred from capital   |                         |                       |                                 |
| 28. Dividends to stockholders   |                         |                       |                                 |
| 29. Change in treasury stock  |                         |                       |                                 |
| 30. Aggregate write-ins for gains and losses in surplus   |                         |                       | 9,602                           |
| 31. Change in surplus as regards policyholders (Lines 17 through 30)                                  | 171,061                 | (125,057)             | (72,121)                        |
| 32. Surplus as regards policyholders as of statement date (Lines 16 plus 31)                          | (385,786)               | (609,783)             | (556,847)                       |

| DETAILS OF WRITE-IN LINES   |  |       |       |
|---|--|-------|-------|
| 0201. Bad debt recovery and other income                            |  | 2,545 | 2,545 |
| 0202.   |  |       |       |
| 0203.   |  |       |       |
| 0298. Summary of remaining write-ins for Line 02 from overflow page |  |       |       |
| 0299. Totals (Lines 0201 through 0203 plus 0298) (Line 02 above)    |  | 2,545 | 2,545 |
| 0601.   |  |       |       |
| 0602.   |  |       |       |
| 0603.   |  |       |       |
| 0698. Summary of remaining write-ins for Line 06 from overflow page |  |       |       |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)    |  |       |       |
| 1201.   |  |       |       |
| 1202.   |  |       |       |
| 1203.   |  |       |       |
| 1298. Summary of remaining write-ins for Line 12 from overflow page |  |       |       |
| 1299. Totals (Lines 1201 through 1203 plus 1298) (Line 12 above)    |  |       |       |
| 3001. Reissue of stale-dated check                                  |  |       | 9,602 |
| 3002.   |  |       |       |
| 3003.   |  |       |       |
| 3098. Summary of remaining write-ins for Line 30 from overflow page |  |       |       |
| 3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)    |  |       | 9,602 |

**Notice of Cancellation of your National Title Insurance Policy.**

This notice is to inform you of the REHABILITATION PLAN AND DEADLINE FOR FILING CLAIMS in the Receivership of National Title Insurance Company ("National Title"), Case No 2009-CA-2577, in the Circuit Court of Leon County, Florida ("Receivership Court"). By order of the Receivership Court entered **NEED DATE** ("Order"), you are hereby notified of the approval of the Revised Plan of Rehabilitation, which authorizes the cancellation of all National Title insurance policies in the states of Alabama, Georgia, and Tennessee effective **need date** and sets the deadline to file claims in the receivership. All persons having claims against National Title shall present them to the receivership by **NEED DATE**, or such claims shall be forever barred. Claims are to be submitted to: National Title Insurance Company in Receivership, 2020 Capital Circle SE, Suite 350, Tallahassee FL 32301. For copies of the Order and Plan of Rehabilitation visit the Receiver's website at [www.floridainsurancereceiver.org](http://www.floridainsurancereceiver.org). Please call (850) 413-3081 to request a Proof of Claim Form. For information as to title insurers licensed in your state, go to your state insurance department website. In Alabama it is [www.aldoj.gov](http://www.aldoj.gov); in Georgia it is [www.gainsurance.org](http://www.gainsurance.org); and in Tennessee it is [www.tn.gov/commerce](http://www.tn.gov/commerce).



[illegible]

**From:** [noreply@myflcourtagency.com](mailto:noreply@myflcourtagency.com)  
**To:** [Benitez-Torviso, Yamile](#); [Thomas, Melody](#); [Jackson, Angela](#)  
**Subject:** Filing Received  
**Date:** Tuesday, July 10, 2012 3:44:23 PM

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Dear Yamile Benitez-Torviso:

This email verifies the receipt of 1 document submitted by you to Leon Circuit Civil division on 07/10/2012 03:42:49 PM.

Case Number: 2009ca2577

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Thank you,  
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