



4. The Guaranty Association is authorized to proceed and to distribute the funds in the Escrow Accounts in accordance with the applicable escrow agreements and the Claim Payment Plan attached hereto as Exhibit A;
5. The Guaranty Association shall return any unclaimed funds in the Trust Account to the Liquidator for handling in accordance with TEX. INS. CODE § 443.304;
6. The Guaranty Association is entitled to any records of Webb Title necessary to fulfill its obligations; and
7. A claims filing deadline of October 14, 2008 is established for "covered claims" against Webb Title.

SIGNED and ENTERED on this 28<sup>th</sup> day of APRIL, 2008.

151 MARGARET COOPER

Judge Margaret Cooper  
353<sup>rd</sup> District Court of Travis County

EXHIBIT "A"  
CLAIM PAYMENT PLAN

## EXHIBIT B: CLAIMS PAYMENT PLAN

1. Purpose of Plan. The Texas Title Insurance Guaranty Association (the "Association") will adjust, compromise, settle and pay escrow-related claims pertaining to Webb County Title & Abstract Company, Inc. ("Webb Title") as set out in this Claims Payment Plan (the "Plan"), as contemplated by Subchapters F and G of Chapter 2602 of the Texas Insurance Code (the "Code"), and subject to the approval of the Texas Department of Insurance and this Court.
2. Claims to be Paid. The Association will pay (a) claims against trust or escrow funds and (b) the Association's own expenses for administering the claims. The Association's claim payments will be limited under Sections 2602.256, 2602.257, and 2602.058 of the Code.
3. Notice, Forms, and Procedures. The Association will provide notice to claimants that the Association is handling claims against the estate of Webb Title. A form of Notice to Claimants is attached hereto as Exhibit B-1. The Association will also provide Proof of Claim forms for use by persons having claims against the estate (see Exhibit B-2), along with written procedures for filing claims with the Association (see Exhibit B-3).
4. Claims Filing Deadline. Pursuant to Section 2602.032 of the Code, the Association requests the Court to order that the deadline for filing claims against the estate in this matter shall be October 14, 2008, nine months after Webb Title was declared insolvent. The Association will post notices of the claims filing process and the claims filing deadline in this matter in one or more newspapers that publish regularly in Webb County, Texas.
5. Acknowledgment of Claim. The Association will send an acknowledgment of the receipt of all proofs of claim within 30 days of receipt.
6. Claim Decisions. A review and determination of incoming proofs of claim will be made within 60 days of receipt of the proof of claim, or any supplemental information required by the Association, to determine if the claim is a covered claim as defined by statute and the Association will provide written notice of its determination to the claimant.
7. Payment of Claims. The Association or its agent will pay claims within 30 days of receipt of information sufficient to allow the Association to determine the validity of such claim.
8. Resolution of Determination Disputes. If a claimant disputes the determination by the Association, the claimant must advise the Association in writing of the legal and factual basis for the dispute and provide documents, if any, sufficient to support its position. The Association shall review the claimant's submission and within 60 days advise the claimant of its final determination.
9. No Implied Waiver. No claim shall be deemed a covered claim and no rights of the Association shall be waived with respect to a claim without an express approval or express waiver by the Association. Failure of the Association to act within the time frame set forth in these guidelines shall not be deemed a waiver by the Association of any rights to contest the claim.

10. Confidentiality. Submissions by claimants in support of their proofs of claim and proceedings to resolve such claims shall not be confidential unless a separate confidentiality agreement with respect to such claims has been entered into by the Association and the claimant. Court approval is not required for the Association and a party to enter into a confidentiality agreement, but any confidentiality agreement shall be subject to review and modification by the Receivership Court if challenged by an appropriate party or *sua sponte* by the court.

11. Supporting Documentation. Claims shall not be determined until sufficient documentation to allow the Association to evaluate fully the merits of the claim has been received, and the Association has had a reasonable time to evaluate the claim. This Plan is drafted to help define what is reasonable in general with respect to claims, but shall not limit the Association in seeking additional time, pursuant to the procedures set forth herein, if the facts of a particular claim reasonably warrant. The claimant shall have the burden of assembling and providing documentation to the Association to support the claim and allow a complete evaluation thereof by the Association.

12. Extension of Timetables for Cause. The Association may apply to the Receivership Court to extend, for cause, any of the timetables set forth herein with regard to either the claims in general or any individual proof of claim. Without limiting the circumstances that provide for cause to be found by the Receivership Court, cause shall exist if the volume of claims cannot be handled in the ordinary course of the business of the Association with its then-existing staff or designated claims processor. Cause shall also exist if the Association has requested legal advice on a matter affecting a claim and the advice has not been received, but the extension for this reason shall not extend beyond 120 days. The pendency of such an application shall extend the timetables until a ruling on the application has been made by the Receivership Court. In considering the application, the Association shall not be required to disclose any information about a claim that is privileged or that, if disclosed, might reveal the Association's evaluation of the claim on the merits.

13. Amendment of Plan. The Association shall retain at all times the right to apply to the Receivership Court to supplement or modify these claims processing guidelines.

14. Servicing Facility. Subject to approval by the Commissioner of Insurance, the Association may designate individuals or entities as servicing facilities to carry out the provisions of this Plan. The Association shall reimburse any duly designated servicing facility for the obligations of the Association paid by the servicing facility and any expenses incurred by the servicing facility in handling claims for the association.

15. Advance as Loan. Money advanced by the Association to Webb Title shall be considered a special fund loan to Webb Title for the payment of covered claims and shall not become an asset of Webb Title. The loan is repayable to the extent money from Webb Title is available.

16. Association in Place of Webb Title. To the extent of the Association's obligation on a covered claim, the Association shall stand in the place of Webb Title and have all the rights, duties, and obligations of Webb Title as if Webb Title were not impaired. Furthermore, in performing its obligations to pay covered claims, the Association will not be considered to be

engaging in the business of insurance; to have assumed or succeeded to a liability of Webb Title; or to otherwise stand in the place of Webb Title, including as to whether the Association is subject to the personal jurisdiction of the courts of another state.

17. Assignment of Claimant's Rights. Any cause of action or other right of the holder of a covered claim arising from the occurrence on which the claim is based shall be assigned to the Association on the holder's acceptance of the Association's payment of the claim. Rights are assigned to the Association to the extent of the amount accepted or the value of the benefit provided.

18. Settlement by Association Binding. The settlement of a covered claim by the Association shall bind the Special Deputy Receiver and/or the Texas Department of Insurance. The Association's expenses in handling claims shall have the same priority as the Special Deputy Receiver's expenses.

EXHIBIT B-1**NOTICE TO CLAIMANTS OF  
WEBB COUNTY TITLE & ABSTRACT COMPANY, INC.**

RE: Cause No. D-1-GN-08-000050; *The State of Texas v. Webb County Title & Abstract Company, Inc.*; in the 201st Judicial District Court of Travis County, Texas; Receivership No. \_\_\_\_\_

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On January 11, 2008, Webb County Title & Abstract Company, Inc. ("Webb Title") was placed in liquidation by order of the 201st Judicial District Court of Travis County, Texas.

All claims for shortages in funds escrowed with Webb Title are governed by Texas Insurance Code, Section 2602.101, et seq.

All claimants who have a claim for escrowed funds must file a proof of claim with the Texas Title Insurance Guaranty Association prior to the claims filing deadline for any claim, or any portion of a claim. A proof of claim form is attached or can be obtained by requesting one in writing from the Texas Title Insurance Guaranty Association at the above address.

The receivership court has set an **ESCROW CLAIM FILING DEADLINE** of 11:59 p.m., C.S.T. on October 14, 2008. Accordingly, all claims must be postmarked to:

Texas Title Insurance Guaranty Association  
106 E. 6th St., STE 300  
Austin, Texas 78701-3661

on or before October 14, 2008, at 11:59 p.m. C.S.T. Failure to complete the proof of claim form properly according to the instructions may cause your claim to be delayed or rejected.

EXHIBIT B-2

PROOF OF CLAIM

**AFFIDAVIT FOR ESCROW CLAIMS AGAINST  
WEBB COUNTY TITLE & ABSTRACT COMPANY, INC., IN RECEIVERSHIP**

Before me, the undersigned Notary Public, appeared the person whose name is subscribed hereto, who stated under oath: "I have claims against Escrow Funds of Webb County Title & Abstract Company, Inc. ('Webb Title'):

CLAIMANT NAME: \_\_\_\_\_

STREET ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

PHONE(S): WORK: \_\_\_\_\_ HOME: \_\_\_\_\_ CELL: \_\_\_\_\_

The details of my claim are as follows:

A. I am claiming the amount of \$ \_\_\_\_\_

B. The Webb Title G.F. File number was: \_\_\_\_\_

C. Address of the Property in the transaction is: \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_

D. Date of the Real Estate Transaction: \_\_\_\_\_

E. Relationship to Transaction (Buyer, Seller, Lienholder, etc.): \_\_\_\_\_

F. Was the ESCROW CLAIM settled by Webb Title? \_\_\_\_\_

G. Purpose of ESCROW FUNDS held (Earnest money, repairs, etc.): \_\_\_\_\_

H. Describe the nature of claim and attach all supporting documents: \_\_\_\_\_

WITH THE EXCEPTION OF THE FOLLOWING, I ALONE AM ENTITLED TO FILE THIS CLAIM, AND NO OTHERS HAVE ANY INTEREST THEREIN. (SHOW HERE THE NAME OF ANY PERSONS OR FIRMS WHO HAVE AN INTEREST IN THIS CLAIM AND STATE WHAT THEIR INTEREST IS. IF THERE ARE NO OTHERS WITH AN INTEREST, WRITE 'NONE'). \_\_\_\_\_

I REPRESENT THAT I HAVE EXHAUSTED ALL POSSIBLE CLAIMS UNDER TITLE INSURANCE POLICIES RELATING TO THIS CLAIM AND THE TRANSACTION DESCRIBED ABOVE AND I HAVE REDUCED MY CLAIM BY ANY RECOVERY.

The above statements are TRUE and CORRECT, and no part of the amount claimed due has been paid."

Signature of Claimant: \_\_\_\_\_

SUBSCRIBED AND SWORN TO BEFORE ME, this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

\_\_\_\_\_  
Notary Public, State of Texas  
My Commission Expires: \_\_\_\_\_

All claims forms must be presented or postmarked on or before 11:59 p.m. Central Time, October 14, 2008, and mailed to 106 E. 6th St., STE 300, Austin, Texas 78701-3661.

**EXHIBIT B-3****ESCROW CLAIM FILING INSTRUCTIONS****READ CAREFULLY BEFORE COMPLETING THE PROOF OF CLAIM FORM**

This Proof of Claim Form must be used if you have a claim for funds escrowed with Webb County Title & Abstract Company, Inc. ("Webb Title"). By accurately completing this form you can protect your interests, help us identify your claim and allow us the opportunity to consider your claim properly. *It is very important that you complete all the sections applicable to you, sign, and return the form by the claims filing deadline. Do not use this form to file any claim against Webb Title other than an escrow claim. Please contact the Receiver to obtain information about filing a claim with the Receiver.*

Please follow these instructions in completing the enclosed Proof of Claim form:

1. Indicate the type of claim and amount, if known, and indicating the amount.
2. If the amount of a claim is unknown, you must still file the Proof of Claim by the filing deadline. Insert the word "unstated" in the amount column.
3. You must include any documentation supporting your claim.
4. If you have assigned your right of recovery, you must indicate the assignee's name and address and attach a copy of the assignment.
5. During the course of the receivership proceedings, you must notify the Association in writing of any mailing address and telephone number change.
6. You must provide your telephone number(s), and sign and date the Proof of Claim in front of a Notary Public. Claims filed by corporations must be signed by an authorized representative, stating the capacity of the signatory. If an attorney is signing this form on behalf of a client, a power of attorney must be attached. The Texas Title Insurance Guaranty Association may waive the notarization requirement regarding Proofs of Claim if good cause exists, as determined in the sole discretion of the Association, for such waiver.
7. If you fail to adequately describe or document your claim, your claim may be rejected.
8. To reduce expense, receipt of the Proof of Claim form is not acknowledged. You will receive notice at the address you provided on the form when your claim is processed.
9. Review the completed form, sign, and date it. Failure to complete the proof of claim form properly according to these instructions may cause your claim to be delayed or rejected.

**ALL PROOF OF CLAIM FORMS  
MUST BE POSTMARKED ON OR BEFORE  
11:59 P.M. C.S.T. OCTOBER 14, 2008.**