

STATE OF TEXAS,
Plaintiff

v.

Guardian Fidelity Title Company, Ltd., §
Guardian Fidelity Title Company CLR, LLP, §
Guardian Fidelity Title Company NWR, LLP, §
Guardian Fidelity Title Company KTB, Ltd., §
Guardian Fidelity Title Company SB, Ltd., §
Guardian Fidelity Title Company DFT, Ltd., §
Defendants §

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

419th JUDICIAL DISTRICT

Filed in The District Court
of Travis County, Texas
DEC 06 2010 TH
At 8:42 A.M.
Amalia Rodriguez-Mendoza, Clerk

ORDER GRANTING SPECIAL DEPUTY RECEIVER'S APPLICATION FOR APPROVAL OF SPECIAL DEPUTY RECEIVER'S PROPOSED TREATMENT OF CLAIMS [NOS. GUARD0146, GUARD0148, and GUARD0149]

On the undersigned date, the Court considered the SDR's Application for Approval of Special Deputy Receiver's Proposed Treatment of Claims [Nos. GUARD0146, GUARD0148, and GUARD0149] (the "Application"). Having considered the Application, the Court finds as follows:

1. The *Order of Reference to Master* ("Order of Reference") entered by this Court on August 22, 2008 provides that applications filed pursuant to TEX. INS. CODE § 443.007 are referred to the Special Master appointed in this proceeding;
2. The Application was submitted to the Special Master in accordance with the Order of Reference;
3. Notice of the Application was provided in accordance with TEX. INS. CODE §443.007 (d) and the Order of Reference;
4. The Special Master held a hearing on November 1, 2010 pursuant to the Order of Reference. When called for hearing, the SDR appeared in person and by

counsel. Objector Diana Sanchez appeared by phone. Objector Paul Lawson appeared on behalf of himself and his wife, Objector Bettye Lawson. Objector J.C. Investments Unlimited, L.L.C. appeared by counsel, Samuel Beale. The Special Master conducted a hearing on the Application at which the parties presented evidence, testimony and oral argument. Following the hearing, the Special Master issued a recommendation that the Application should be granted pursuant to Rule 171 of the Texas Rules of Civil Procedure;

5. No objections to the Master's Recommendation have been filed, over ten (10) days have passed since the recommendation was issued and the Master's Recommendation should be confirmed and entered as an order of this Court;

6. The Court finds that, as of the date of receivership, the estate did not hold any funds in escrow in connection with the transactions described in Claims Nos. GUARD0146, GUARD0148, and GUARD0149;

7. The Court has jurisdiction over the Application and the parties affected hereunder; and

8. The Application should be GRANTED in all respects.

IT IS ORDERED, ADJUDGED AND DECREED that the Application is GRANTED.

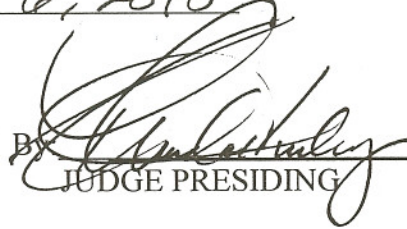
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court, as follows:

1. Grants the SDR's Application for Approval of Special Deputy Receiver's Proposed Treatment of Claims [Nos. GUARD0146, GUARD0148, and GUARD0149]

2. Approves the SDR's proposed treatment of GUARD0146 and rules that the claim is not an Escrow Claim and that it is a lower priority than Class 1, and that the SDR is not obligated to take further action on the claim unless and until it appears reasonably likely that property will be available for a distribution to classes below Class 1;
3. Approves the SDR's proposed treatment of GUARD0148 and rules that the claim is not an Escrow Claim and that it is a lower priority than Class 1, and that the SDR is not obligated to take further action on the claim unless and until it appears reasonably likely that property will be available for a distribution to classes below Class 1;
4. Approves the SDR's proposed treatment of GUARD0149 and rules that the claim is not an Escrow Claim and that it is a lower priority than Class 1, and that the SDR is not obligated to take further action on the claim unless and until it appears reasonably likely that property will be available for a distribution to classes below Class 1;
5. Discharges and releases the Receiver, the SDR and the receivership estate from any and all liability regarding POC numbers GUARD0146, GUARD0148, and GUARD0149 unless and until it appears reasonably likely that property will be available for a distribution to classes below Class 1;
6. This Order constitutes a final judgment fully resolving all issues relating to the Application, provided that this Court shall retain jurisdiction to issue further orders pursuant to TEX. INS. CODE Chapter 443. This Order shall

not affect, in any way, the Receiver's or the SDR's immunities from suit and shall not give rise to any right to sue or create any causes of action against the Receiver or the SDR. The automatic stay and the provisions of the Receivership Order remain in affect unless expressly modified herein. This Order does not amend, modify or in any manner change or effect the terms and provisions of the *Agreed Order Appointing Liquidator and Permanent Injunction* and the POC Order except as expressly set out herein.

Signed on December 6, 2010

BY 
JUDGE PRESIDING