

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA	§	
At the relation of the	§	
STATE CORPORATION COMMISSION,	§	
v.	§	Case No. INS-2011-00239
SOUTHERN TITLE INSURANCE	§	
CORPORATION, Defendant.	§	

**FIRST DIRECTIVE OF DEPUTY RECEIVER
APPOINTING SPECIAL DEPUTY RECEIVER**

1. On December 20, 2011, in a case styled Commonwealth of Virginia ex rel. State Corporation Commission v. Southern Title Insurance Corporation and Manju S. Ganeriwala, Treasurer of Virginia, Case No. CL11-5660-RDT, the Circuit Court of the City of Richmond (“Court”) found that Southern Title Insurance Corporation (“Southern”) is in a condition, as a single insurance business enterprise, where any further transaction of business will be hazardous to the insureds, policyholders, creditors, and the public. Therefore, pursuant to Title 38.2, Chapter 15 of the Virginia Code, the Court issued its Final Order Appointing Receiver for Rehabilitation or Liquidation (“Receivership Order”), appointing the State Corporation Commission (“Commission”) of the Commonwealth of Virginia, as Receiver of Southern.

2. Also on December 20, 2011, pursuant to Title 38.2, Chapter 15 of the Virginia Code, the Commission entered its Order Appointing Deputy Receiver for Conservation and Rehabilitation, appointing Jacqueline K. Cunningham, the Commissioner of the Commission’s Bureau of Insurance, as Deputy Receiver (the “Order Appointing Deputy Receiver”).

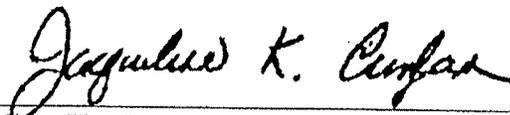
3. The Receivership Order authorizes the Deputy Receiver to employ and fix the compensation of such deputies as she considers necessary.

4. The Deputy Receiver has concluded that Donald C. Beatty, Sr. Counsel in the Commission’s Office of General Counsel, should be appointed as Special Deputy Receiver of Southern.

THEREFORE, in accordance with the powers granted to the Deputy Receiver in the Receivership Order, THE DEPUTY RECEIVER HEREBY APPOINTS DONALD C. BEATTY SPECIAL DEPUTY RECEIVER OF SOUTHERN.

This First Directive is effective as of December 20, 2011. All of the foregoing is subject to further directives of the Deputy Receiver and orders of the State Corporation Commission of the Commonwealth of Virginia.

It is so directed:



Jacqueline K. Cunningham, Commissioner of Insurance,
Bureau of Insurance, State Corporation Commission,
Commonwealth of Virginia, and Deputy Receiver of
Southern Title Insurance Corporation