

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA  
At the relation of the  
STATE CORPORATION COMMISSION,  
v.  
SOUTHERN TITLE INSURANCE  
CORPORATION, Defendant.

§  
§  
§  
§  
§  
§  
§  
§  
§  
§

Case No. INS-2011-00239

**THIRD DIRECTIVE OF DEPUTY RECEIVER  
IMPOSING SUSPENSION AND MORATORIUM**

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” or the “Company”) 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 for Southern (the “Order Appointing Deputy Receiver”).

3. In accordance with the authority granted in the Receivership Order and the Order Appointing Deputy Receiver, the Deputy Receiver has determined that it is necessary to impose an immediate and complete suspension and moratorium on the payment of all claims against Southern. The complete suspension and moratorium on the payment of said claims has been imposed as a result of the Deputy Receiver’s analysis of the Company’s hazardous financial condition. The Deputy Receiver will continue to assess Southern’s financial condition in order to determine whether, and the extent to which, claim payments may be resumed in a manner that would treat all claimants fairly and ratably, and that would not result in an improper preference being given to any creditor.

4. Additionally, the Deputy Receiver has determined that the suspension and moratorium on claim payments should not apply to the payment of administrative expenses and secured claims of Southern.

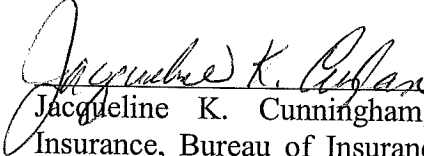
**THEREFORE**, in accordance with the powers granted to the Deputy Receiver in the Receivership Order and Order Appointing Deputy Receiver, **THE DEPUTY RECEIVER HEREBY DIRECTS:**

1. The payment of all claims against Southern shall be subject to a complete suspension and moratorium pending completion of additional analysis of the financial condition of Southern and entry of further Orders or Directives.

2. The suspension and moratorium on claim payments shall not apply to the payment of administrative expenses and secured claims of Southern.

This Third Directive is effective July 26, 2012. 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