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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION

-----X  
In re : Chapter 11  
: :  
LandAmerica Financial Group, Inc., et al. : Case No. 08-35994 (KRH)  
: :  
Debtors. : (Jointly Administered)  
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**DEBTOR’S MOTION FOR ORDER (A) APPROVING: (I) SALE OF  
DEBTOR’S STOCK IN LOANCARE SERVICING CENTER, INC.,  
LC INSURANCE AGENCY, INC., AND CERTAIN TANGIBLE  
ASSETS, AND RELATED STOCK PURCHASE AGREEMENT, (II) STALKING  
HORSE PROTECTIONS AND SALE PROCEDURES, AND  
(III) FORM AND MANNER OF NOTICE; AND (B) GRANTING RELATED RELIEF**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

LandAmerica Financial Group, Inc. (“**LFG**” or the “**Debtor**”), one of the above-captioned debtors and debtors in possession, hereby moves for entry of an order, pursuant to sections 105(a) and 363 of title 11 of the United States Code (the “**Bankruptcy Code**”) and rules

2002, 6004 and 9014 of the Federal Rules of Bankruptcy Procedures (the “**Bankruptcy Rules**”), (a) approving (i) the sale (the “**Sale**”) of LFG’s interests (the “**LoanCare Stock**”) in LoanCare Servicing Center, Inc. and LC Insurance Agency, Inc. (together, “**LoanCare**”) and certain tangible assets (collectively, the “**Purchased Assets**”) to Alpine Equity, L.P. or an affiliate (the “**Potential Purchaser**”) and the related Stock Purchase Agreement dated March 13, 2009 (the “**Purchase Agreement**”), a copy of which is annexed hereto as Exhibit A, (b) the bidding procedures (collectively, the “**Bidding Procedures**”), including a break-up fee and expense reimbursement payable to the Potential Purchaser, and (c) related notice procedures and hearing dates; and (ii) granting related relief, and respectfully represents as follows:

### **BACKGROUND**

1. On November 26, 2008 (the “**Petition Date**”), LFG and LandAmerica 1031 Exchange Services, Inc. (“**LES**”) filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code. LES and LFG continue to manage their properties as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108. No trustee or examiner has been appointed in these chapter 11 cases.

2. On December 3, 2008, the United States Trustee for the Eastern District of Virginia appointed (a) an Official Committee of Unsecured Creditors in the case of LES (the “**LES Committee**”) and (b) an Official Committee of Unsecured Creditors in the case of LFG (the “**LFG Committee**”) and, together with the LES Committee, the “**Creditors’ Committees**”).

### **JURISDICTION**

3. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are sections 105(a) and 363 of the Bankruptcy Code, as supplemented by Rules

2002, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rules 2002-1 and 6004-1 of the Local Rules of the United States Bankruptcy Court for the Eastern District of Virginia (the “**Local Bankruptcy Rules**”).

### **LFG’S BUSINESS**

4. LFG is a holding company that operates through its various subsidiaries (collectively, with LFG, the “**Company**”). Prior to the Petition Date, approximately 85 to 90% of the Company’s revenues were derived from LFG’s primary title insurance underwriting subsidiaries – Commonwealth Land Title Insurance Company, Lawyers Title Insurance Corporation, and United Capital Title Insurance Company, and their respective subsidiaries (collectively, the “**Underwriters**”). On December 22, 2008, LFG sold its direct and/or indirect ownership of its stock in the Underwriters pursuant to this Court’s orders dated December 17, 2008 and December 21, 2008. Prior to such sale, the Company offered a host of products and services to facilitate the purchase, sale, transfer and financing of residential and commercial real estate that were largely complementary to the Underwriters’ businesses. These products and services are offered to a broad-based customer group, including residential and commercial buyers and sellers, real estate agents and brokers, developers, attorneys, mortgage brokers and lenders, and title insurance agents.

5. Since the sale of the Underwriters, LFG has been evaluating the Company’s remaining businesses to determine the manner in which to best maximize value, including through one or more sales of the Company’s remaining businesses and/or the prompt and orderly wind-down and liquidation of such businesses. In connection with these efforts, LFG has determined that it is appropriate to sell its LoanCare Stock.

### **LOANCARE’S BUSINESS**

6. Based in Virginia Beach, Virginia, LoanCare, is wholly-owned subsidiary

of LFG that provides a full range of loan administration services to clients nationwide.

Established in 1983, for over twenty five years, LoanCare has been providing subservicing services to financial institutions and private investors that hold mortgage loan assets or mortgage servicing rights. Specifically, LoanCare has four lines of business: (a) traditional subservicing; (b) seller finance servicing; (c) loss mitigation; and (d) debt servicing. Through its services, LoanCare provides its customers with the ability to lower costs, reduce operating risk, and enhance customer/member services through its various subservicing programs.

7. LoanCare's traditional offering includes "back office" servicing functions for clients such as payment processing, investor reporting, escrow administration and default management. These services permit lenders to transfer the cost and operational risks of loan services to LoanCare on a contractual basis. Where the seller of a property finances the loan for the purchaser, LoanCare's seller finance servicing division provides administration/contract servicing to the seller, ensures that the buyer pays taxes and insurance on the property and provides monthly statements and annual tax reports. Further, the loss mitigation division provides a full service alternate outsourcing solution for lenders to manage their loss mitigation, thus, providing mortgage lenders, financial institutions and investors the ability to outsource all or a part of their loss mitigation processes. Finally, the debt servicing business offers services primarily to hedge funds that acquire non-performing loan portfolios in the secondary market. Specifically, LoanCare analyzes a hedge fund's newly acquired distressed loan portfolio to determine whether such portfolio can be rehabilitated. Then, upon a determination that such rehabilitation is possible, LoanCare performs traditional servicing functions for the hedge fund.

8. LoanCare's clients include mortgage companies, community banks/savings banks, commercial banks, credit unions, housing authorities and private investors.

Further, LoanCare services a variety of types of loan products including residential (ARM, Fixed, Balloon, Bi-weekly, DSI, Second Mortgages and Interest Only), commercial/multi-family, HELOC, consumer, subprime, and manufactured housing. In order to service loans for its clients, LoanCare is subject to approval by and must perform in accordance with the requirements of governmental agencies including Fannie Mae, Freddie Mac, Ginnie Mae, the Federal Housing Administration of the Department of Housing and Urban Development, the Veteran's Administration and private investors including Wells Fargo/Wachovia and Bank of America/Countrywide. As of November 30, 2008, LoanCare's loan and seller finance servicing portfolios totaled 101,761 loans for an unpaid balance of approximately \$13.1 billion.

#### **THE DECISION TO SELL LOANCARE**

9. Shortly after the chapter 11 filing of LFG, several rating agencies, including Fitch Ratings and Moody's Investor Services, downgraded LoanCare's residential primary servicer ratings. As a direct result of these downgrades, some of LoanCare's clients and prospects have threatened to decrease or altogether halt the amount of new business they place with LoanCare. While the majority of LoanCare's existing subservicing loans have not been moved to another subservicer, the threat of further downgrade due to LFG's precarious financial position puts the retention of LoanCare's existing subservicing relationships at risk.

10. After the close of the sale of the Underwriters, LFG began to pursue a sale of its 100% interest in LoanCare. LFG, with the assistance of Zolfo Cooper, its financial advisors, undertook a marketing effort over the past few months, to solicit interest in LoanCare. In this regard, LFG and/or Zolfo Cooper contacted (or were contacted by) approximately sixty-five potential strategic and financial suitors that they believed may be interested and capable of pursuing a transaction. Thirty-eight of these parties executed non-disclosure agreements and

engaged in various levels of due diligence. Of the parties that engaged in due diligence, approximately six submitted written indications of interest.

11. After receiving indications of interest, the Debtor engaged in preliminary discussions with a select number of bidders that had submitted the most attractive initial indication of interest. As a result of these efforts and after extensive negotiations with multiple interested parties, the Debtor has determined that Alpine Equity, L.P. is the best available “stalking horse” bidder for the Purchased Assets, based on purchase price and its willingness to propose a non-contingent deal.

### **THE NEED FOR A SALE**

12. LFG believes that, unless the Sale to the Potential Purchaser (or the Successful Bidder, as defined below) is consummated expeditiously, there will be further deterioration in the value of the LoanCare Stock. Both Fitch Ratings and Moody’s Investors Services placed LoanCare on review for possible further downgrades. Another downgrade in rating by either agency, could cause a further deterioration of the value of the LoanCare Stock. LoanCare’s principal assets are its seasoned loan servicing team and the business relationships that team members maintain with their clients. LFG and LoanCare believe that, if the business is sold in the near future, the loan servicing team and their accompanying clients will remain. However, absent near term certainty that LoanCare will be sold and continue as a viable going concern, members of LoanCare’s loan servicing teams may leave the company, taking with them the customer relationships which are the key assets of the business. This will cause a significant loss of value and irreparable harm to the estate of LFG.

13. Further, as discussed above, LoanCare is licensed, where applicable, with state and federal agencies as well as Fannie Mae, Freddie Mac and Ginnie Mae (collectively, “**GSEs**”). Failure to consummate the Sale may result in revocation of LoanCare’s servicing

licenses, materially impacting the value of the company and its ability to continue to service existing and prospective client loan portfolios. Moreover, a failure to consummate the Sale of the LoanCare Stock to the Potential Purchaser (or the Successful Bidder, as defined below) will result in a protracted postponement of LoanCare's annual accountant's audit report, which in turn could result in a suspension or termination of its servicing licenses.

### **SUMMARY OF RELIEF REQUESTED**

14. LFG requests, pursuant to sections 105 and 363 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 9014, that the Court approve (a) approve (i) the Sale of the Purchased Assets to the Potential Purchaser (or, alternatively, to the Successful Bidder, as defined below) and the related Purchase Agreement, (ii) stalking horse protections and sale procedures, and (iii) the form and manner of notice; and (b) grant other related relief.

15. More specifically, the Debtor requests that the Court enter two orders (the Bidding Procedures Order and the Sale Order, each as defined below) at two separate hearings:

- The Bidding Procedures Order: An order (the “**Bidding Procedures Order**”) approving: (i) the Break-up Fee and Expense Reimbursement provisions (as defined below) of the Purchase Agreement, (ii) the Bidding Procedures, (iii) the notice (the “**Sale Notice**”) establishing (a) the deadline to bid on the Purchased Assets (the “**Bid Deadline**”), (b) the date, time and location of the auction of the Purchased Assets, and (c) the date and time of the sale hearing (the “**Sale Hearing**”), and (iv) the applicable objection deadlines and hearing dates. Copies of the Bidding Procedures Order and the Sale Notice, are annexed hereto as Exhibit B and C.

- **The Sale Order:** An order (the “**Sale Order**”)<sup>1</sup> for the approval of (i) the sale of the Purchased Assets free and clear of liens, pledges, claims, encumbrances and interests to the Potential Purchaser or, alternatively, to the Successful Bidder (as defined below).

## THE SALE

16. As set forth above, on March 13, 2009, LFG and the Potential Purchaser entered into the Purchase Agreement for the sale of the Purchased Assets to the Potential Purchaser, subject to higher and/or better offers. If the Debtor does not receive a higher or otherwise better offer for the Purchased Assets, the Debtor intends to request that the Court enter an order approving the Purchase Agreement and the sale of the Purchased Assets to the Potential Purchaser.

### A. The Purchase Agreement

17. The Purchase Agreement includes the following salient provisions:<sup>2</sup>

- (a) **Purchased Shares:** On the closing date, LFG shall sell, transfer, and deliver to the Potential Purchaser the LoanCare Stock and the assets listed on Section 2.1 of the Disclosure Schedules (i.e, the Purchased Assets) in accordance with the terms of the Purchase Agreement, free and clear of all liens, claims, interests, pledges and encumbrances against the Purchased Assets.
- (b) **Purchase Price:** The purchase price of the Purchased Assets shall total \$6,500,000 in cash (the “**Purchase Price**”).
- (c) **Deposit:** Simultaneously with the execution of the Purchase Agreement, the Potential Purchaser made a good faith deposit in an amount equal to \$200,000 (the “**Deposit**”). The Deposit is held in escrow and shall be credited against the Purchase Price at closing.
- (d) **Non-Solicitation Period:** Subject to a “fiduciary out”, from March 13, 2009, through the date on which the Bankruptcy Court enters

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<sup>1</sup> The form of the proposed Sale Order is annexed hereto as Exhibit D.

<sup>2</sup> A copy of the Purchase Agreement will be posted and publicly available at <http://chapter11.epiqsystems.com/landamerica>. To the extent there are any inconsistencies between the summary description of the Purchase Agreement contained herein and the terms and conditions of the Purchase Agreement, the terms of the Purchase Agreement shall control.

an order either granting or denying the Bidding Procedures Order (the “**Non-Solicitation Period**”), LFG cannot solicit or initiate, participate in discussions or negotiations, furnish information, or enter into any agreement with respect to an alternative transaction.

- (e) **Employee Matters:** During the period commencing on the closing date and ending on the first (1st) anniversary of the closing date (the “**Continuation Period**”), the Potential Purchaser will provide, or cause to be provided, to each employee who remains employed by the Potential Purchaser or any of its Affiliates following the closing date (the “**Company Employees**”) with a base salary or hourly wage rate, which is no less favorable to such employee’s base salary or hourly wage rate immediately before the closing date provided, that the foregoing shall not be construed as a guaranty of employment for any employee, including any Company Employee. During the Continuation Period, the Potential Purchaser will use commercially reasonable efforts to provide each Company Employee the opportunity to participate in employee benefit plans, programs and policies which provide benefits that are no less favorable in the aggregate to the benefits provided to such employee under the employee benefit plans sponsored by LoanCare and/or the LFG immediately before the closing date.
- (f) **Closing Conditions:** Articles VI and VII of the Purchase Agreement contain various closing conditions, including but not limited to, the absence of material adverse effect, the accuracy of representations and warranties contained in the Purchase Agreement, material compliance with covenants and agreements, the absence of bankruptcy filing by LoanCare, termination of certain vendor relationships, and the absence of an order preventing the Sale.
- (g) **Termination:** The Purchase Agreement may be terminated prior to the closing: (a) by mutual written consent of the parties; (b) by either party if a final and non-appealable order or injunction enjoining or otherwise prohibiting the sale of the Purchased Assets is entered; (c) by either party if closing has not occurred on or before seventy-five (75) days after entry of the Bidding Procedures Order; (d) by the Potential Purchaser, if prior to closing, the Bankruptcy Court enters an order with respect to an alternative transaction; (e) by either party if (i) the Bankruptcy Court denies the Bidding Procedures Order; or (ii) the Bidding Procedures Order is not entered within forty (40) days following March 13, 2009; (f) by either party, if (i) the Bankruptcy Court denies the Sale Order, or (ii) the Sale Order is not entered within ninety (90) days following March 13, 2009; (g) by the Potential Purchaser,

upon a material breach of any covenant of the Purchase Agreement (h) by LFG, upon a material breach of any covenant or agreement under the Purchase Agreement; and (i) by LFG if the Auction (as defined below) is held and (i) the Potential Purchaser is not the Winning Bidder or the Back-up Bidder (as the terms are defined below) or (ii) the Potential Purchaser was the Back-up Bidder but is no longer obligated to remain as the Back-up Bidder pursuant to the Bidding Procedures Order of the Purchase Agreement.

- (h) Break-up Fee; Expense Reimbursement: LFG agreed to (i) pay the Potential Purchaser a break up fee in the amount equal to \$350,000 (the “**Break-up Fee**”) in the event that (a) LFG enters into an agreement with respect to an alternative transaction, LFG materially breaches a covenant or agreement of the Purchase Agreement, or the Potential Purchaser is not the Winning Bidder, the Back-up Bidder, or is no longer obligated to remain as the Back-up Bidder (as the terms are defined below), and (ii) pay the Potential Purchaser its reasonable out-of-pocket fees (including reasonable attorneys’ fees) and expenses incurred in connection with the transactions contemplated by the Purchase Agreement not to exceed \$100,000 (such amount, the “**Expense Reimbursement**”), provided, however, that such Break-up Fee and Expense Reimbursement shall be paid no later than two business days after the earlier of (i) the date LFG consummates a transaction with respect to the Purchased Assets that yields proceeds equal to or greater than the sum of the Break-up Fee and the Expense Reimbursement or (ii) the effective date of a plan of liquidation of LFG.
- (i) Transition Services Agreement: On March 13, 2009, LFG and the Potential Purchaser agreed to the form of a Transition Services Agreement to be executed and to take effect at closing whereby each party agrees to provide the other with various transition services, with related costs allocated on the same basis as they were historically, while they work together to separate the purchased business from those that have not been transferred, and migrate services being provided by LFG and its remaining subsidiaries to Potential Purchaser.
- (j) Bankruptcy Court Approval: The Purchase Agreement is subject to Bankruptcy Court approval.

B. The Bidding Procedures<sup>3</sup>

18. In an effort to ensure that maximum value is obtained for the Purchased Assets, the Debtor respectfully requests that this Court enter the Bidding Procedures Order and approve the Bidding Procedures annexed hereto as Exhibit B. The Debtor believes that an auction of the Purchased Assets conducted in accordance with the Bidding Procedures will maximize the value of the Purchased Assets.

19. The more salient terms of the Bidding Procedures are as follows:<sup>4</sup>

- (a) Participation Requirements: Any person that wishes to conduct due diligence and participate in the sale process must first deliver to the Debtor: (i) an executed confidentiality agreement in form and substance to be provided by the Debtor, and which confidentiality agreement is at least as restrictive in all material respects as the confidentiality agreement entered into between the Debtor and the Potential Purchaser; and (ii) sufficient documents and information as may be requested by the Debtor to allow the Debtor to determine that the bidder has or will have the financial wherewithal to close on the Sale of the Purchased Assets.
- (b) Potential Bidders: Any person that wishes to participate in such bidding process must be a “Potential Bidder,” which is defined as a person that delivers the documents described in subparagraphs (a)(i) and (a)(ii) above, and that the Debtor determines is able (based on the documents and information provided and other considerations deemed relevant by the Debtor), to submit a *bona fide* offer and to be able to consummate a Sale Transaction if selected as a Successful Bidder or Back-Up Bidder (as such terms are defined below).
- (c) Due Diligence: The Debtor may afford each Potential Bidder the time and opportunity to conduct reasonable due diligence; provided, however, that neither the Debtor nor any of its representatives shall be obligated to furnish any due diligence information: (i) at any time to any person other than a Potential

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<sup>3</sup> To the extent there are any inconsistencies between the description of the Bidding Procedures contained herein and the terms and conditions of the Bidding Procedures set forth in Exhibit B, the terms of the Bidding Procedures set forth in Exhibit B control.

<sup>4</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Bidding Procedures.

Bidder; or (ii) after the Bid Deadline (as defined below) to any Potential Bidder. Neither the Debtor nor its representatives shall be obligated to furnish information of any kind whatsoever to any person that is not a Potential Bidder. The Debtor and its professionals shall use good faith efforts to provide all Potential Bidders with substantially similar access and information. The Potential Purchaser shall continue to have the opportunity to conduct due diligence on the terms set forth in the Purchase Agreement.

- (d) Bid Deadline: The deadline for a Potential Bidder to submit bids is proposed to be **May [8], 2009 at 4 p.m. (prevailing Eastern Time)** (the “**Bid Deadline**”). Any Potential Bidder who fails to submit a bid so as to be received in advance of the Bid Deadline shall not be deemed a Qualified Bidder (as defined below).
- (e) Bid Requirements: All bids must include all items set forth in the Bid Procedures (the “**Required Bid Materials**”), which items include, but are not limited to: (i) an executed copy of a purchase agreement and any ancillary agreements pursuant to which the Potential Bidder proposes to acquire the Purchased Assets, which purchase agreement shall include (a) a commitment to close by a date no later than fifteen (15) days following the approval of the sale by the Bankruptcy Court, and (b) a representation that the Potential Bidder will promptly make all necessary filings pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (“**HSR Act**”) and promptly pay the fees associated with such filings if applicable; (ii) a proposed purchase price, in cash, securities or other form of consideration, which is determined by the Debtor to be acceptable and equal to or greater than the sum of (a) the purchase price set forth in the Purchase Agreement, (b) the Expense Reimbursement, (c) the Break-Up Fee, and (d) \$50,000, (the sum of (a) through (d), the “**Initial Incremental Bid Amount**”); (iii) a good faith deposit equal to 3% of the proposed purchase price, which shall be held in escrow and will be refunded on the terms set forth in the Bid Procedures; and (iv) a redline of the Potential Bidder’s proposed purchase agreement, which is marked against the Purchase Agreement.
- (f) Additional Requirements: Any bid must also (i) be on terms that are not materially more burdensome or conditional than the terms of the Purchase Agreement, (ii) not be conditioned on obtaining financing or the outcome of any due diligence by the Potential Bidder; and (iii) not request or entitle the Potential Bidder to any break-up fee, expense reimbursement or similar type of payment.

- (g) Qualified Bidders: A bid received from a Potential Bidder that includes all of the Required Bid Materials and meets all of the above requirements is a “Qualified Bid.” A Potential Bidder that submits a Qualified Bid (a “**Qualified Bidder**”) shall be entitled to participate in the Auction. Pursuant to the Bid Procedures, the Potential Purchaser is deemed to be a Qualified Bidder, and the Purchase Agreement is deemed to be a Qualified Bid.
- (h) Auction: If a Qualified Bid other than that submitted by the Potential Purchaser has been received by the Debtor, the Debtor will conduct an auction (the “**Auction**”) with respect to the Purchased Assets. If no Qualified Bids are received other than the Stalking Horse Bid or if the Qualified Bids submitted are rejected, no Auction will take place and the Debtor shall request the Bankruptcy Court to approve the Sale to the Potential Purchaser at the Sale Hearing.
- (i) Manner of Auction: Based upon the terms of the Qualified Bids received, the number of Qualified Bidders participating in the Auction, and such other information as the Debtor determines is relevant, the Debtor may conduct the Auction in any manner that it determines will achieve the maximum value for the Purchased Assets. The Qualified Bidder(s) whose final bid(s) is/are deemed by the Debtor to be highest or best following the conclusion of the Auction, will be the “Successful Bidder(s),” and such bid(s), the “Successful Bid(s).” The next highest and best bid(s) will be the “Back-Up Bid(s)” and the maker of the bid will be the “Back-Up Bidder(s).” Final Documents between the Debtor and both the Successful Bidder(s) and the Back-Up Bidder(s) will be executed on the same day of the Auction.
- (j) Irrevocability of Bids: Each bid submitted shall constitute an irrevocable offer and be binding on the Successful Bidder(s) and the Back-Up Bidder(s) from the time the bid is submitted until the entry of the Sale Order and if the Successful Bid(s) and Back-up Bid(s) are approved, as the case may be, as to them until the earlier of two (2) business days after the sale or sales has closed or, with respect to the Back-Up Bidder, the later of (a) twenty (20) days after the Sale Order is entered, or (b) any applicable waiting period, to the extent required, under the HSR Act, in either case unless further extended by agreement between the Debtor and the Back-Up Bidder(s).
- (k) Sale Hearing: At the Sale Hearing, the Debtor will seek Bankruptcy Court approval of the Successful Bid(s) and the Back-Up Bid(s). There will be no further bidding at the Sale Hearing. In the event that the Successful Bidder(s) cannot or refuses to

consummate the sale or sales because of the breach or failure on the part of the Successful Bidder(s), the Debtor shall be permitted to close with the Back-Up Bidder(s) on the Back-Up Bid(s) in accordance with the terms of such Back-up Bidder(s) agreement without further order of the Court.

- (l) Terms of Sale: Except as and to the extent provided in the Purchase Agreement or in any other agreement that may be entered into by the Debtor, the sale of the Purchased Assets shall be on an “as is, where is” basis and without representations or warranties of any kind, nature or description by the Debtor or its agents and, by submitting a bid, each Qualified Bidder is deemed to acknowledge and agree to the foregoing.

20. The Debtor believes that the Bidding Procedures provide a fair and appropriate framework for selling the Purchased Assets and will enable the Debtor, with assistance from Zolfo Cooper, to review, analyze and compare all bids received to determine which bids are in the best interests of the Debtor’s estate and creditors. Therefore, the Debtor respectfully requests that this Court approve the Bidding Procedures.

C. The Break-up Fee, Expense Reimbursement and Bidding Procedures Should Be Approved

21. Approval of breakup fees and other forms of bidding protections in connection with the sale of a debtor’s property pursuant to section 363 of the Bankruptcy Code is an established practice in chapter 11 cases. See In re Ryan, 261 B.R. 867, 870 (Bankr. E.D. Va. 2001); Gey Assocs. v. 310 Assocs. (In re 310 Assocs.), 346 F.3d 31, 33-34 (2d Cir. 2003); Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.), 147 B.R. 650, 662-63 (S.D.N.Y. 1992), appeal dismissed, 3 F.3d 49 (2d Cir. 1993).

Agreements to provide break-up fees are designed to compensate a potential acquirer who serves as a catalyst that may attract higher and better offers, and are often approved in bankruptcy cases to encourage bidding. See In re Ryan, 261 B.R. at 870. Specifically, breakup fees (i) attract or retain a potentially successful bid, (ii) establish a bid standard or minimum for other bidders to

follow, and (iii) attract additional bidders. In re Integrated Res., Inc., 147 B.R. at 661-62.

Break-up fees can be advantageous to both buyers and sellers as they encourage bidding to ensure that sellers receive the highest or otherwise best offer while compensating the buyer for the risk of being outbid. See In re Ryan, 261 B.R. at 870. “It has become increasingly common in section 363 sales of significant portions of an estate’s assets for the prospective buyer to demand a breakup fee or other protection in the event that the sale is not consummated.” 3 COLLIER ON BANKRUPTCY ¶ 363.03[7] (15th rev. ed. 2002).

22. Break-up fees are allowed as an administrative expense claim against the estate if they satisfy the standard of section 503(b)(1) of the Bankruptcy Code. In re Tropea, 352 B.R. 766, 768 (Bankr. N.D.W. Va. 2006). Thus, the break-up fee must reflect the actual and necessary cost of preserving the estate. See 11 U.S.C. § 503(b)(1). See also In re Tropea, 352 B.R. at 768; In Calpine Corp. v. O’Brien Environmental Energy, Inc. (In re O’Brien Environmental Energy, Inc.), 181 F.3d 527 (3d Cir. 1999), the United States Court of Appeals for the Third Circuit expanded on the application of the section 503(b)(1) standard to breakup fees. The Third Circuit Court of Appeals held that even though bidding incentives are measured against a business judgment standard in non-bankruptcy transactions, the administrative expense provisions of section 503(b) of the Bankruptcy Code govern in the bankruptcy context. Accordingly, to be approved, bidding incentives must provide some postpetition benefit to the debtor’s estate. See id. at 533; see also Corradino v. Lamb (In re Lamb), 2002 WL 31508913, at \*2 (Bankr. D. Md. 2002) (implicitly adopting the administrative expense standard set forth in O’Brien).

23. The O’Brien Court identified at least two instances in which bidding incentives may provide benefit to the estate. First, benefit may be found if “assurance of a

break-up fee promoted more competitive bidding, such as by inducing a bid that otherwise would not have been made and without which bidding would have been limited.” In re O’Brien Envtl. Energy, 181 F.3d at 537. Second, when the availability of bidding incentives induce a bidder to research the value of the debtor and submit a bid that serves as a minimum or floor bid on which other bidders can rely, “the bidder may have provided a benefit to the estate by increasing the likelihood that the price at which the debtor is sold will reflect its true worth.” Id.

24. The proposed Break-up Fee and Expense Reimbursement is appropriate under section 503 of the Bankruptcy Code as the Break-up Fee and Expense Reimbursement is fair and reasonable in amount, particularly in view of the efforts that have been expended by the Potential Purchaser. Moreover, the Break-up Fee will enable the Debtor to secure an adequate floor for the Auction and, thus, insist that competing bids be materially higher or otherwise better than the Stalking Horse Bid.

25. In sum, the Debtor’s ability to offer the Break-up Fee and Expense Reimbursement, has enabled it to secure a sale of the Debtor’s assets to a contractually-committed bidder at a price that they believe to be fair while, at the same time, providing it with the potential of even greater benefit to the estate through an auction process. Thus, the Break-up Fee and Expense Reimbursement should be approved.

D. Notices to Be Provided in Connection with the Sale

26. Pursuant to Bankruptcy Rules 2002(a) and (c), the Debtor is required to notify its creditors of the Sale of the Purchased Assets, including disclosure of the deadline to submit a bid, the time and place of the Auction, the terms and conditions of the Sale, and the deadline for filing any objections. The Debtor requests that notice of the Auction and the relief requested herein be deemed adequate and sufficient if the Debtors cause to be served, within three (3) business days after entry of the Bidding Procedures Order (the “**Mailing Deadline**”), by first-class mail, postage prepaid, copies of the Sale Notice<sup>5</sup> upon:

- (a) the Office of the United States Trustee for the Eastern District of Virginia;
- (b) counsel for the Creditors’ Committees;
- (c) counsel for the agents to the Debtors’ prepetition lenders;
- (d) counsel for Alpine Equity, L.P.;
- (e) all parties that previously expressed an interest in purchasing the Purchased Assets;
- (f) the Securities and Exchange Commission;
- (g) the United States Attorney’s Office for the Eastern District of Virginia;
- (h) the Department of Justice;
- (i) the Federal Communications Commission;
- (j) the Federal Trade Commission;
- (k) the Internal Revenue Service;
- (l) all applicable state attorneys general, local realty, servicing and licensing enforcement agencies, and local regulatory authorities;
- (m) all applicable state and local taxing authorities;

---

<sup>5</sup> The form of the proposed Sale Notice is attached hereto as Exhibit C.

- (n) all parties who have requested notice in the Debtors' chapter 11 cases; and
- (o) such other parties entitled to receive notice pursuant to this Court's December 23, 2008 amended administrative order entered in these cases.

27. The Debtor also proposes to post the Sale Notice, this Motion, the Purchase Agreement and the Bidding Procedures Order on the website of the Debtor's claims and noticing agent at <http://chapter11.epiqsystems.com/landamerica>.

28. The Debtor respectfully requests that this Court enter the Bidding Procedures Order.

**THE SALE IS IN THE BEST INTEREST OF THE ESTATE**

A. **Sound Business Judgment Exists to Support the Sale**

29. The Debtor submits that ample authority exists for the approval of the Sale of the Purchased Assets. In accordance with Bankruptcy Rule 6004(f)(1), sales of property rights outside the ordinary course may be by private sale or public auction. The Debtor has determined the sale of the Purchased Assets by public auction will enable it to obtain the highest or best offer for the Purchased Assets and is, therefore, in the best interests of the Debtor and its estate and creditors.

30. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that a debtor in possession, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Under section 363(b) of the Bankruptcy Code, approval of a sale is appropriate if the court finds the transaction has a sound business purpose or represents a reasonable business judgment on the part of the debtor. See WBQ P'ship v. Va. Dep't of Med. Assistance Servs. (In re WBQ P'ship), 189 B.R. 97, 102 (Bankr. E.D. Va. 1995) (adopting "sound business purpose" test for section 363(b) sales

as set forth in In re Lionel Corp.); In re W.A. Mallory Co., 214 B.R. 834, 836-37 (Bankr. E.D. Va. 1997) (noting that court follows the “sound business purpose” test when examining section 363(b) sales).

31. Although section 363 of the Bankruptcy Code does not set forth a standard for determining when it is appropriate for a court to authorize the sale or disposition of a debtor’s assets prior to confirmation of a plan, courts in other Circuits have required that the decision to sell assets outside the ordinary course of business be based upon the sound business judgment of the debtor. See In re Abbotts Dairies of Pennsylvania, Inc., 788 F.2d 143, 147 (3d Cir. 1986); see also Myers v. Martin (In re Martin), 91 F.3d 389, 395 (3d Cir. 1996); Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1071 (2d Cir. 1983); Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.), 242 B.R. 147, 153 (D. Del. 1999); In re Delaware & Hudson Ry. Co., 124 B.R. 169, 176 (D. Del. 1991). This District also has adopted the “sound business purpose” test for section 363(b) sales. See In re WBQ P’ship, 189 B.R. at 102. The debtor has the burden of proving the following four elements: (a) a sound business reason or emergency justifies a pre-confirmation sale; (b) the sale has been proposed in good faith; (c) adequate and reasonable notice of the sale has been provided to interested parties; and (d) the purchase price is fair and reasonable. See id.

32. Based upon the results of its analysis of LoanCare’s business, the Debtor’s management and advisors have concluded that the Sale of the Purchased Assets in accordance with the Bidding Procedures will maximize recoveries to the estate and stop further deterioration of the Debtor’s business.

33. Thus, as to the first element, the Debtor’s decision to set up an auction process is an exercise of sound business judgment. A debtor’s showing of a sound business

purpose need not be unduly exhaustive but, rather, a debtor is “simply required to justify the proposed disposition with sound business reasons.” In re Baldwin United Corp., 43 B.R. 888, 906 (Bankr. S.D. Ohio 1984). Whether or not there are sufficient business reasons to justify a transaction depends upon the facts and circumstances of each case. See In re Lionel Corp., 722 F.2d at 1071. The Debtor proposes to sell the Purchased Assets to the Potential Purchaser pursuant to the Purchase Agreement, or to another Qualified Bidder. In either case, the net effect of the transaction, if approved, will be that the Debtor will have divested itself of the Purchased Assets via a transaction that the Debtor believes will benefit the Debtor’s creditors and other parties in interest. The Debtor has sought to secure a buyer for the Purchased Assets due to the fact that its ability to sustain the business while LoanCare’s parent is in chapter 11 is limited. Given the possibility of another downgrade in ratings by the rating agencies and the potential revocation of the service licenses, LFG must quickly consummate a sale of the Purchased Assets in order to preserve and realize its value before it further deteriorates. If the Purchased Assets are not promptly sold to the Potential Purchaser or another Qualified Bidder through the Auction process, it is extremely likely that LFG will realize little or no value for this asset (as compared to the current purchase price of \$6,500,000).

34. Second, the Sale has been proposed in good faith through arm’s length negotiations. “A negotiation conducted at arm’s length helps to insure that the agreed price ultimately will be fair and reasonable.” In re WBQ P’hip, 189 B.R. at 103. The terms of the Purchase Agreement were negotiated in good faith and at arm’s length, and the Purchase Agreement was reviewed by counsel for both parties. In marketing the Purchased Assets to potential purchasers, LFG treated the Stalking Horse Purchaser in an identical manner as the other interested parties. Moreover, there is no evidence of fraud or collusion in terms of the Sale.

35. Third, LFG intends to provide all interested parties with adequate and reasonable notice of the Auction and Sale Hearing. In particular, all parties contacted by Zolfo Cooper or who previously expressed any interest in purchasing the Purchased Assets will be served. In light of the circumstances, the notice proposed herein is reasonably calculated to provide timely and adequate notice to the Debtors' major creditor constituencies, those parties most interested in this case, those parties potentially interested in bidding on the Purchased Assets and others whose interests are potentially implicated by the Sale.

36. Fourth, the sale of the Purchased Assets will be subject to competing bids, thereby enhancing the Debtor's ability to receive the highest or otherwise best value for its business. Consequently, the fairness and reasonableness of the consideration to be received by the Debt will ultimately be demonstrated by a "market check" through the auction process, which is the best means for establishing whether a fair and reasonable price is being paid.

37. Section 105(a) of the Bankruptcy Code provides a bankruptcy court with broad powers in the administration of a case under the Bankruptcy Code. Section 105(a) provides that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a). Provided that a bankruptcy court does not employ its equitable powers to achieve a result not contemplated by the Bankruptcy Code, the exercise of its section 105(a) power is proper. In re Fesco Plastics Corp., 996 F.2d 152, 154 (7th Cir. 1993); Pincus v. Graduate Loan Ctr. (In re Pincus), 280 B.R. 303, 312 (Bankr. S.D.N.Y. 2002). Pursuant to section 105(a), a court may fashion an order or decree that helps preserve or protect the value of a debtor's assets. See, e.g., Chinichian v. Campolongo (In re Chinichian), 784 F.2d 1440, 1443 (9th Cir. 1986) ("Section 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the

purposes of the Bankruptcy Code.”); In re Cooper Props. Liquidating Trust, Inc., 61 B.R. 531, 537 (Bankr. W.D. Tenn. 1986) (noting that bankruptcy court is “one of equity and as such it has a duty to protect whatever equities a debtor may have in property for the benefit of its creditors as long as that protection is implemented in a manner consistent with the bankruptcy laws.”).

E. The Sale is Proposed in “Good Faith”  
Under Section 363(m) of the Bankruptcy Code

38. LFG requests that the Court find that the Potential Purchaser is entitled to the benefits and protections provided by section 363(m) of the Bankruptcy Code in connection with the Sale. Section 363(m) of the Bankruptcy Code provides, in pertinent part:

The reversal or modification on appeal of an authorization under subsection (b) . . . of this section of a sale . . . of property does not affect the validity of a sale . . . under such authorization to an entity that purchased . . . such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale . . . were stayed pending appeal.

11 U.S.C. § 363(m).

39. Section 363(m) of the Bankruptcy Code thus protects purchasers of assets sold pursuant to section 363 of the Bankruptcy Code from the risk that they will lose their interest in the purchased assets if the order allowing the sale is reversed on appeal. Although the Bankruptcy Code does not define “good faith purchaser,” the Fourth Circuit Court of Appeals has “adopt[ed] the traditional equitable definition that has been adopted by various courts of appeal: ‘one who purchases the assets for value, in good faith, and without notice of adverse claims.’” Willemain v. Kivitz, 764 F.2d 1019, 1023 (4th Cir. 1985) (citations omitted). To constitute lack of good faith, a party’s conduct in connection with the sale must usually amount to “fraud [or] collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.” Id. (citing In re Rock Indus. Mach. Corp., 572 F.2d 1195, 1198 (7th Cir. 1978)). See also In re Bedford Springs Hotel, Inc., 99 B.R. 302, 305

(Bankr. W.D. Pa. 1989); In re Perona Bros., Inc., 186 B.R. 833, 839 (D. N.J. 1995). Due to the absence of a bright line test for good faith, the determination is based on the facts of each case, concentrating on the “integrity of [an actor’s] conduct during the sale proceedings.” In re Pisces Leasing Corp., 66 B.R. 671, 673 (E.D.N.Y. 1986) (quoting In re Rock Indus. Mach. Corp., 572 F.2d at 1998).

40. Here, the Sale of the Purchased Assets is in good faith. As discussed above, the Debtor has marketed the Purchased Assets since shortly after the commencement of the case. There is no evidence of fraud or collusion in the terms of the Sale. Additionally, the Bidding Procedures ensure that a Prospective Purchaser will not be able to exert any undue influence over the Debtor. The Proposed Purchaser is a third party and not an insider of the Debtor.

F. The Sale Satisfies the Requirements of Section 363(f) of the Bankruptcy Code

41. Under section 363(f) of the Bankruptcy Code, a debtor-in-possession may sell all or any part of its property free and clear of any and all liens, claims, or interests in such property if: (a) such a sale is permitted under applicable non-bankruptcy law; (b) the party asserting such a lien, claim, or interest consents to such sale; (c) the interest is a lien and the purchase price for the property is greater than the aggregate amount of all liens on the property; (d) the interest is the subject of a *bona fide* dispute; or (e) the party asserting the lien, claim, or interest could be compelled, in a legal or equitable proceeding, to accept a money satisfaction for such interest. 11 U.S.C. § 363(f); see also In re Collins, 180 B.R. 447, 449-50 (Bankr. E.D. Va. 1995) (“Section 363(f) is phrased in the disjunctive, such that only one of the enumerated conditions must be met in order for the Court to approve the Sale.”); P.K.R. Convalescent Ctrs., Inc. v. Va. Dep’t of Med. Assistances Servs. (In re P.K.R. Convalescent Ctrs., Inc.), 189 B.R. 90,

93-94 (Bankr. E.D. Va. 1995) (Tice, C.J.) (“[Section] 363 covers more situations than just sales involving liens . . . Section 363(f) addresses sales free and clear of any interest . . .”).

42. LFG believes that the Purchased Assets are not encumbered by any lien, pledge or interest against them. Nevertheless, to the extent any valid interest does exist, LFG believes any such interest will be adequately protected because the Sale Order will provide that any lien, claim, encumbrance or interest in the Purchased Assets will attach to the net proceeds of the Sale, subject to any claims and defenses that LFG may possess with respect thereto. Moreover, even if a party did hold liens against the Purchased Assets (which LFG does not believe to be the case), LFG believes that such party could be compelled to accept a monetary satisfaction of such interests, satisfying section 363(f)(5) of the Bankruptcy Code. Thus, a sale of the Purchased Assets free and clear of all liens, claims, pledges, encumbrances and interests, with any such liens, claims, pledges, encumbrances and interests to attach to the net proceeds of the Sale, is appropriate and may be approved by the Court.

G. Relief from Bankruptcy Rule 6004(h) is Appropriate

43. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of property . . . is stayed until the expiration of 10 days after entry of the order, unless the court orders otherwise.” LFG and the Potential Purchaser desire that the Sale Order be effective immediately upon its entry and LFG therefore requests a waiver of the ten-day stay under Bankruptcy Rule 6004(h).

**NOTICE**

44. Notice of this Motion will be given to: (a) the Office of the United States Trustee for the Eastern District of Virginia; (b) counsel for the Creditors’ Committees; (c) all parties that previously expressed an interest in purchasing the Purchased Assets; (d) all parties who have requested notice in the Debtors’ chapter 11 cases; and (e) such other parties entitled to

receive notice pursuant to this Court's December 23, 2008 amended administrative order entered in these cases (collectively, the "**Notice Parties**"). LFG submits that no other or further notice is required.

**NO PRIOR REQUEST**

45. No previous request for the relief sought herein has been made to this or to any other Court.

**WAIVER OF MEMORANDUM OF LAW**

46. Pursuant to Local Rule 9013-1(G), and because there are no novel issues of law presented in the Motion and all applicable authority is set forth in the Motion, the Debtor respectfully requests that the requirement that all motions be accompanied by a separate written memorandum of law be waived.

**CONCLUSION**

WHEREFORE, LFG respectfully requests (i) entry of (a) the Bidding Procedures Order and (b) the Sale Order, and (ii) that the Court grant such other or further relief as is just and proper.

Dated: Richmond, Virginia  
March 20, 2009

Respectfully submitted,

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Attorneys for the Debtors and  
Debtors in Possession

**STOCK PURCHASE AGREEMENT**

**by and between**

**LANDAMERICA FINANCIAL GROUP, INC.,**

**as Seller,**

**and**

**ALPINE EQUITY, L.P.,**

**as Buyer,**

**for the purchase and sale of  
all outstanding capital stock of**

**LOANCARE SERVICING CENTER, INC. and**

**LC INSURANCE AGENCY, INC.**

**Dated as of**

**March 13, 2009**

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I.	DEFINITIONS ..... 5
SECTION 1.1.	Definitions ..... 5
ARTICLE II.	SALE AND PURCHASE ..... 10
SECTION 2.1.	Agreement to Sell and to Purchase ..... 10
SECTION 2.2.	Purchase Price. .... 11
SECTION 2.3.	Closing ..... 11
SECTION 2.4.	Seller Closing Deliverables ..... 11
SECTION 2.5.	Buyer Closing Deliverables ..... 12
ARTICLE III.	REPRESENTATIONS AND WARRANTIES OF THE SELLER ..... 12
SECTION 3.1.	Corporate Organization. .... 12
SECTION 3.2.	Capitalization; Title to the Shares ..... 13
SECTION 3.3.	Validity of Agreement; Authorization ..... 13
SECTION 3.4.	No Conflict or Violation ..... 13
SECTION 3.5.	Consents and Approvals ..... 13
SECTION 3.6.	Licenses, Permits and Governmental Approvals. .... 13
SECTION 3.7.	Compliance with Law and Agreements ..... 14
SECTION 3.8.	Litigation ..... 14
SECTION 3.9.	Tax Matters ..... 14
SECTION 3.10.	Rating Downgrades ..... 15
SECTION 3.11.	Employees ..... 15
SECTION 3.12.	Major Customers ..... 15
SECTION 3.13.	Accounts Receivable ..... 15
SECTION 3.14.	Financial Statements ..... 16
SECTION 3.15.	Servicing Advances ..... 16
SECTION 3.16.	Contracts Between Companies and Others ..... 16
SECTION 3.17.	Trust, Escrow and Custodial Accounts ..... 17
SECTION 3.18.	Absence of Certain Developments ..... 17
ARTICLE IV.	REPRESENTATIONS AND WARRANTIES OF THE BUYER ..... 17
SECTION 4.1.	Corporate Organization ..... 17
SECTION 4.2.	Validity of Agreement; Authorization ..... 17
SECTION 4.3.	No Conflict or Violation ..... 18
SECTION 4.4.	Consents and Approvals ..... 18
SECTION 4.5.	Financial Ability ..... 18
SECTION 4.6.	Brokers ..... 18
SECTION 4.7.	Purchase Not for Distribution ..... 18
SECTION 4.8.	Independent Investigation ..... 18
SECTION 4.9.	Disclaimer of Warranties ..... 18
ARTICLE V.	COVENANTS ..... 18

SECTION 5.1.	Conduct of Business Prior to the Closing Date.....	18
SECTION 5.2.	Access to Properties and Records .....	19
SECTION 5.3.	Further Assurances .....	20
SECTION 5.4.	Tax Matters .....	20
SECTION 5.5.	Cooperation on Tax Matters.....	20
SECTION 5.6.	Bankruptcy Filings, Covenants and Agreements. ....	21
SECTION 5.7.	Confidentiality.....	23
SECTION 5.8.	Employee Matters. ....	23
SECTION 5.9.	Fees and Expenses.....	25
SECTION 5.10.	Director and Officer Liability and Indemnification. ....	25
SECTION 5.11.	Disclaimer of Warranties .....	26
SECTION 5.12.	InterCompany and Affiliate Contracts and Agreements.....	26
SECTION 5.13.	Third Party Contracts and Agreements .....	27
SECTION 5.14.	Vendor Relationships .....	28
SECTION 5.15.	Non-Competition.....	28
SECTION 5.16.	Reasonable Efforts .....	28
ARTICLE VI.	CONDITIONS TO OBLIGATIONS OF THE BUYER.....	28
SECTION 6.1.	Representations and Warranties of the Seller .....	28
SECTION 6.2.	Performance of the Seller's Obligations .....	29
SECTION 6.3.	Approval Order .....	29
SECTION 6.4.	No Violation of Orders.....	29
SECTION 6.5.	No Bankruptcy Filing by Either Company .....	29
SECTION 6.6.	Transition Services Agreement .....	29
SECTION 6.7.	Vendor Relationships .....	29
ARTICLE VII.	CONDITIONS TO OBLIGATIONS OF THE SELLER.....	29
SECTION 7.1.	Representations and Warranties of the Buyer .....	29
SECTION 7.2.	Performance of the Buyer's Obligations.....	30
SECTION 7.3.	Approval Order .....	30
SECTION 7.4.	No Violation of Orders.....	30
SECTION 7.5.	Transition Services Agreement.....	30
ARTICLE VIII.	TERMINATION .....	30
SECTION 8.1.	Termination .....	30
SECTION 8.2.	Effect of Termination.....	32
SECTION 8.3.	Break-up Fee; Expense Reimbursement. ....	32
ARTICLE IX.	MISCELLANEOUS.....	32
SECTION 9.1.	Successors and Assigns; No Third Party Beneficiaries .....	32
SECTION 9.2.	Non-Survival of Representations and Warranties.....	33
SECTION 9.3.	Notices.....	33
SECTION 9.4.	Entire Agreement .....	34
SECTION 9.5.	Waivers and Amendments .....	34
SECTION 9.6.	Severability.....	34
SECTION 9.7.	Titles and Headings.....	34
SECTION 9.8.	Signatures and Counterparts.....	34

SECTION 9.9.	Enforcement of the Agreement .....	34
SECTION 9.10.	Governing Law.....	35

## STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this “**Agreement**”) is made and entered into as of this 13<sup>th</sup> day of March, 2009, by and between LandAmerica Financial Group, Inc., a Virginia corporation (the “**Seller**”) and Alpine Equity, L.P., a Delaware limited partnership (the “**Buyer**”).

### WITNESSETH:

**WHEREAS**, the Seller owns 1,000 shares of common stock of LoanCare Servicing Center, Inc., a Virginia corporation (“**LoanCare**”), and 5,000 shares of common stock of LC Insurance Agency, Inc., a Virginia corporation (“**LCI**,” together with LoanCare, the “**Companies**”), constituting 100% of the issued and outstanding capital stock of the Companies (all such shares of capital stock are referred to herein as the “**Shares**”); and

**WHEREAS**, the Buyer desires to purchase the Shares from the Seller, and the Seller desires to sell the Shares to the Buyer, in each case upon the terms and subject to the conditions set forth in this Agreement.

**WHEREAS**, the Seller is the debtor and debtor-in-possession in the Bankruptcy Case, and the Companies are not in bankruptcy.

**NOW, THEREFORE**, in consideration of the mutual terms, conditions and other agreements set forth herein, the parties hereto hereby agree as follows:

### ARTICLE I. DEFINITIONS

**SECTION 1.1. Definitions.** In this Agreement, the following terms have the meanings specified or referred to in this Section 1.1 and shall be applicable to both the singular and plural forms.

“**Acceptable Confidentiality Agreement**” means a confidentiality agreement that contains confidentiality provisions that are no less favorable in the aggregate to the Seller than those contained in the Confidentiality Agreement; provided, however, that an Acceptable Confidentiality Agreement may include provisions that are less favorable to the Seller than those contained in the Confidentiality Agreement so long as the Seller offers to amend the Confidentiality Agreement, concurrently with execution of such Acceptable Confidentiality Agreement, to include substantially similar provisions.

“**Affiliate**” shall have the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act of 1934, as amended.

“**Agreement**” shall have the meaning set forth in the preamble hereto.

**“Alternative Transaction”** means the direct or indirect sale, transfer or other disposition, in one or more transactions, of the Shares or all or substantially all of the assets of the Companies to one or more Third Parties.

**“Application Process”** shall have the meaning set forth in Section 5.16.

**“Approval Order”** shall have the meaning set forth in Section 6.3.

**“Auction”** means that certain auction held pursuant to the Bidding Procedures Order.

**“Back-up Bidder”** shall have the meaning given to such term in the Bidding Procedures Order.

**“Bankruptcy Case”** means the chapter 11 case of the Seller, which was commenced on November 26, 2008 under Case No. 08-35994 in the Eastern District of Virginia.

**“Bankruptcy Code”** means chapter 11 of title 11 of the United States Code.

**“Bankruptcy Court”** means the U.S. Bankruptcy Court for the Eastern District of Virginia.

**“Bankruptcy Estate”** means the bankruptcy estate that exists by virtue of the Bankruptcy Case.

**“Bidding Procedures Motion”** means the motion (which may be part of the Sale Motion), in a form and substance reasonably acceptable to the Seller and the Buyer, to be filed by the Seller with the Bankruptcy Court seeking, among other things, entry of the Bidding Procedures Order.

**“Bidding Procedures Order”** means an Order of the Bankruptcy Court, in form and substance reasonably acceptable to the Seller and the Buyer, granting the Bidding Procedures Motion.

**“Break-up Fee”** means an amount equal to \$350,000.

**“Business Day”** means any day of the year on which national banking institutions in New York are open to the public for conducting business and are not required or authorized to close.

**“Buyer”** shall have the meaning set forth in the preamble hereto.

**“Buyer Dispute Notice”** shall have the meaning set forth in Section 5.12(c).

**“Buyer’s Plans”** shall have the meaning set forth in Section 5.8(c).

**“Closing”** shall have the meaning set forth in Section 2.3.

**“Closing Date”** shall have the meaning set forth in Section 2.3.

**“Code”** means the Internal Revenue Code of 1986, as amended.

**“Companies”** shall have the meanings set forth in the recitals hereto.

**“Company”** shall mean LoanCare or LCI, as appropriate, in the singular.

**“Company Employees”** shall have the meaning set forth in Section 5.8(a).

**“Confidentiality Agreement”** means that certain Confidentiality Agreement by and between the Seller and the Buyer, dated as of December 10, 2008.

**“Continuation Period”** shall have the meaning set forth in Section 5.8(a).

**“Creditor’s Committee”** means the official statutory committee of creditors appointed in the Bankruptcy Case.

**“Damages”** shall have the meaning set forth in Section 5.10(a).

**“Deposit Amount”** shall have the meaning set forth in Section 2.2(b).

**“Disputed Amount”** shall have the meaning set forth in Section 5.12(c).

**“Escrow Agent”** shall have the meaning set forth in Section 2.2(b).

**“Escrow Agreement”** shall have the meaning set forth in Section 2.2(b).

**“Expense Reimbursement”** shall have the meaning set forth in Section 8.3(a).

**“Freedom Mortgage Event”** means the loss of Freedom Mortgage as a customer of LoanCare for any reason other than as a result of the termination of the Subservicing Agreement between Freedom Mortgage and LoanCare by (x) LoanCare (for any reason), (y) Freedom Mortgage due to a breach by LoanCare other than with respect to a ratings downgrade (to the extent such downgrade constitutes a breach of the Subservicing Agreement), or (z) Freedom Mortgage other than due to a breach of the Subservicing Agreement by LoanCare and, in the case of subclause (z), as of the Closing, 100% of all applicable deboarding, termination and similar fees have not been deposited in escrow or a similar segregated account for the benefit of the Buyer and LoanCare.

**“GAAP”** shall mean the generally accepted accounting principles of the United States.

**“Governmental Entity”** means any court or tribunal in any jurisdiction (domestic or foreign) or any federal, state, municipal or local government or other governmental body, agency, authority, department, commission, board, bureau or instrumentality (domestic or foreign), or any arbitrator or arbitral body (domestic or foreign).

**“Independent Accounting Firm”** shall have the meaning set forth in Section 5.12(c).

**“January Balance Sheet”** shall have the meaning set forth in Section 3.14.

**“Knowledge”** or **“knowledge”** means, as to a particular matter, the actual knowledge, following reasonable due inquiry under the circumstances, of any of the individuals listed on Section 1.1 of the Disclosure Schedules.

**“LCI”** shall have the meaning set forth in the recitals hereto.

**“Law”** shall mean all applicable statutes, common laws, rules, ordinances, regulations, codes, orders, judgments, injunctions, writs, decrees, governmental guidelines or interpretations having the force of law, in each case, of a Governmental Entity.

**“License”** shall have the meaning set forth in Section 3.6.

**“Line of Credit”** means the \$3 million working capital line of credit provided by the Seller to LoanCare.

**“LoanCare”** shall have the meaning set forth in the recitals hereto.

**“Material Adverse Effect”** shall mean any condition, change, effect or event, individually or in the aggregate, that has, or is reasonably likely to have, a material adverse effect on the business, operations, customer relationships or financial condition of the Companies, except that any such condition, change, effect or event that results from or arises out of any of the following shall not be considered in determining whether a Material Adverse Effect has occurred so long as, in the case of subclauses (iii), (v), (vi), (vii), (viii) and (ix), such events do not have a materially disproportionate adverse effect on LoanCare or LCI when compared to other entities engaged in the same or similar business: (i) the announcement of the execution and delivery of this Agreement; (ii) events relating to or resulting from the Bankruptcy Case and/or the chapter 11 case of LandAmerica 1031 Exchange Services, Inc.; (iii) changes in general economic or political conditions or the securities markets in general; (iv) the taking of any action specifically required by this Agreement; (v) changes in Laws or changes in GAAP; (vi) any outbreak or escalation of hostilities or war or any act of terrorism; (vii) any weather-related or other force majeure event; (viii) any outbreak of illness or other public health-related event; (ix) any facts, conditions, changes, circumstances, effects or events that are generally applicable to Persons engaged in the industry in which the Companies operate and which Persons operate in compliance with applicable Law; or (x) any loss or decrease in revenue from a Freedom Mortgage Event.

**“Material Contracts”** shall have the meaning set forth in Section 3.16.

**“Non-Solicitation Period”** shall have the meaning set forth in Section 5.6(b).

**“Notice”** means any notice, request, demand or other communication required or permitted to be given or made under this Agreement by any Party.

**“Order”** means any order, decision, injunction, directive, judgment, decree, ruling, writ, assessment, award, decision, stipulation or verdict.

**“Outside Date”** shall have the meaning set forth in Section 8.1(c).

**“Outstanding Reimbursable Obligations”** shall have the meaning set forth in Section 5.12(c).

**“Party”** means each of the Seller and the Buyer.

**“Permitted Payments”** means any payments by a Company to the Seller or an Affiliate of the Seller as reimbursement for, or repayment of, any Reimbursable Obligations.

**“Permitted Recipient”** shall have the meaning set forth in Section 5.7.

**“Person”** shall mean any individual, corporation, company, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or other entity or organization.

**“Purchase Price”** shall have the meaning set forth in Section 2.2.

**“Purchased Assets”** shall have the meaning set forth in Section 2.1.

**“Reimbursable Obligations”** shall mean any and all obligations and liabilities of either Company to the Seller or any Affiliate of the Seller (i) for the actual cost of services actually performed or goods actually provided to a Company, and that were actually paid on behalf of such Company by Seller or an Affiliate of Seller for the direct benefit of such Company, or (ii) with respect to any loan or contribution of capital by the Seller or an Affiliate of the Seller to either Company, whether pursuant to the Line of Credit or otherwise, to fund customer advances by a Company in the ordinary course of business consistent with past practice as to type and amount, and with respect to servicing advances, in accordance with the provisions of Section 3.15.

**“Reimbursable Obligations Incurred”** shall have the meaning set forth in Section 5.12(c).

**“Reimbursable Obligations Statement”** shall have the meaning set forth in Section 5.12(c).

**“Representatives”** means a Party’s officers, directors, managers, employees, attorneys, investment bankers, accountants and other agents and representatives of any of the foregoing.

**“Restricted Period”** shall have the meaning set forth in Section 5.15.

**“Sale Motion”** means the motion or other pleading, in a form reasonably acceptable to the Seller and the Buyer, to be filed with the Bankruptcy Court by the Seller seeking entry of the Approval Order and, if applicable, the Bidding Procedures Order.

**“Security”** shall have the meaning given to such term in Section 2(1) of the Securities Act of 1933, as amended.

**“Shares”** shall have the meaning set forth in the recitals hereto.

“**Seller**” shall have the meaning set forth in the preamble hereto.

“**Seller Dispute Notice**” shall have the meaning set forth in Section 5.12(c).

“**Superior Transaction**” means one or more bona fide proposals made by one or more Third Parties for one or more Alternative Transactions that (i) comply with all the terms of the Bidding Procedures Order for a Superior Transaction, as such terms may be amended or modified in accordance therewith, and (ii) represent, alone or in the aggregate, and in the Seller’s sole discretion (subject to Bankruptcy Court approval), a higher or better offer for the Shares or all or substantially all of the Seller’s direct and indirect interests in the assets of the Companies (in each case whether collectively, individually, or in any combination acceptable to the Seller consistent with the foregoing) than the offer made by the Buyer for the Shares pursuant to all of the terms of this Agreement.

“**Tax**” or “**Taxes**” means (i) any federal, state, local, foreign or other taxes, levies, fees, imposts, duties and charges of whatever kind (including any interest, penalties or additions to the tax imposed in connection therewith or with respect thereto), including, without limitation, taxes imposed on, or measured by, income, franchise, profits or gross receipts, and also ad valorem, value added, sales, use, service, real or personal property, capital stock, license, payroll, withholding, employment, social security, workers’ compensation, unemployment compensation, utility, severance, production, excise, stamp, occupation, premium, windfall profits, transfer and gains taxes and custom duties.

“**Tax Returns**” means returns, reports, information statements and other documentation (including any additional or supporting material) filed or maintained, or required to be filed or maintained, in connection with the calculation, determination, assessment, claim for refund or collection of any Tax and shall include any amended returns required as a result of examination adjustments made by the Internal Revenue Service or other Tax authority.

“**Third Party**” means any Person (other than a Governmental Entity) other than (i) in the case of the Seller, the Seller or any of its Affiliates (including the Companies) and (ii) in the case of the Buyer, the Buyer or any of its Affiliates.

“**Winning Bidder**” has the meaning assigned to such term set forth in Bidding Procedures Motion.

## **ARTICLE II. SALE AND PURCHASE**

**SECTION 2.1. Agreement to Sell and to Purchase.** On the Closing Date and upon the terms and subject to the conditions set forth in this Agreement, the Seller shall sell, assign, transfer, convey and deliver the Shares and the assets listed on Section 2.1 of the Disclosure Schedules (collectively, the “**Purchased Assets**”), free and clear of any and all liens, claims, pledges and encumbrances, to the Buyer, and the Buyer shall purchase and accept the Shares and the Purchased Assets from the Seller.

## SECTION 2.2. Purchase Price.

(a) The aggregate purchase price for the Shares (the “**Purchase Price**”) shall be \$6,500,000, and shall be payable by the Buyer in cash by wire transfer in immediately available funds to a bank account designated in writing by the Seller not less than one Business Day before the Closing Date; provided that the cash to be wired shall be net of the Deposit Amount (defined below).

(b) Simultaneously with the execution of this Agreement, the Buyer shall deposit with CSC Trust Company of Delaware (the “**Escrow Agent**”), pursuant to the terms of the Escrow Agreement, dated as of the date of this Agreement, by and among the Seller, the Buyer and the Escrow Agent (the “**Escrow Agreement**”), an amount equal to \$200,000 (together with any interest or other earnings thereon, the “**Deposit Amount**”). The Escrow Agreement shall govern the disposition of the Escrow Amount, and will include, but not be limited to, the provisions of the remainder of this Section 2.2(b). The Deposit Amount shall be credited against the Purchase Price at the Closing. The Seller shall have the right to receive the Deposit Amount in accordance with the terms of the Escrow Agreement upon termination of this Agreement prior to the Closing if this Agreement is terminated by the Seller pursuant to (i) Section 8.1(c) solely as a result of the Buyer’s failure to satisfy any of the conditions to Closing in accordance with Sections 7.1 or 7.2 on or prior to the Outside Date and the Seller is not then in breach of any of its obligations under this Agreement, or (ii) Section 8.1(h). The Buyer shall have the right to receive the Deposit Amount in accordance with the terms of the Escrow Agreement upon termination of this Agreement prior to Closing if this Agreement is terminated other than in accordance with (i) and (ii) above.

**SECTION 2.3. Closing.** The closing of such sale and purchase (the “**Closing**”) shall take place as promptly as practicable, and in any event no later than the 15th Business Day following the date on which the conditions set forth herein have been satisfied or waived (other than conditions which by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or at such other time and date as the parties hereto shall agree in writing (the “**Closing Date**”), at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019, or at such other place as the parties hereto shall agree in writing.

**SECTION 2.4. Seller Closing Deliverables.** At the Closing, the Seller shall deliver to the Buyer or its designees:

(a) stock certificates representing the Shares, duly endorsed in blank for transfer or accompanied by appropriate stock powers duly executed in blank, with all taxes, direct or indirect, attributable to the transfer of such Shares paid or provided for;

(b) a certificate duly executed by an authorized officer of the Seller, dated as of the Closing Date, certifying as to the Seller’s compliance with the conditions set forth in Sections 6.1 and 6.2;

(c) a receipt evidencing the Seller’s receipt of the Purchase Price, duly executed by the Seller;

(d) the executed Transition Services Agreement in the form attached hereto as Exhibit A; and

(e) the contracts identified on Section 5.12(a) of the Disclosure Schedules.

**SECTION 2.5. Buyer Closing Deliverables.** At the Closing the Buyer shall deliver to the Seller:

(a) the Purchase Price (less the Deposit Amount) by wire transfer of immediately available funds;

(b) a certificate duly executed by an authorized officer of the Buyer, dated as of the Closing Date, certifying as to the Buyer's compliance with the conditions set forth in Sections 7.1 and 7.2; and

(c) a receipt evidencing the Buyer's receipt of the Shares.

### **ARTICLE III. REPRESENTATIONS AND WARRANTIES OF THE SELLER**

Except as set forth in the section of the Disclosure Schedules delivered by the Seller concurrently with the execution and delivery of this Agreement that specifically relates to such section, or if disclosed in another section of the Disclosure Schedules, is reasonably apparent from the substance of such disclosure to relate to such section, of this Article III, the Seller hereby represents, warrants and agrees as follows:

#### **SECTION 3.1. Corporate Organization.**

(a) The Seller is a corporation validly existing and in good standing under the laws of the State of Virginia and has all requisite corporate power and authority and all governmental licenses, authorizations, permits, consents and approvals to own its properties and assets and to conduct its businesses as now conducted. The Seller is duly qualified to do business as a foreign corporation and is in good standing in every jurisdiction where the character of the properties owned or leased by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so qualified, or in good standing would not reasonably be expected to result in a Material Adverse Effect.

(b) Each Company is a corporation validly existing and in good standing under the laws of the Commonwealth of Virginia and has all requisite power and authority and all governmental licenses, authorizations, permits, consents and approvals to own its properties and assets and to conduct its businesses as now conducted. Each Company is duly qualified to do business as foreign corporations and is in good standing in every jurisdiction where the character of the properties owned or leased by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so qualified, or in good standing would not reasonably be expected to result in a Material Adverse Effect. Neither Company is a debtor in the Bankruptcy Case or any other bankruptcy case, and has never been a debtor in bankruptcy.

**SECTION 3.2. Capitalization; Title to the Shares.** The authorized capital stock of LoanCare consists of 1,000 shares of common stock, all of which 1,000 shares are issued and outstanding; all of such Shares are owned of record and beneficially by the Seller. The authorized capital stock of LCI consists of 5,000 shares of common stock, of which 5,000 shares are issued and outstanding; all of such Shares are owned of record and beneficially by the Seller. The Shares have been duly authorized and validly issued and are fully paid and nonassessable. The Shares represent all of the issued and outstanding shares of capital stock of the Companies, and as of the date of this Agreement, except for this Agreement, there are no outstanding options, warrants, agreements, conversion rights, preemptive rights or other rights to subscribe for, purchase or otherwise acquire the Shares, or any unissued or treasury shares of capital stock of the Companies or any securities convertible into or exchangeable for any Shares, and there are no outstanding obligations of the Companies to repurchase, redeem or otherwise acquire outstanding Shares or any securities convertible into or exchangeable for any Shares. Subject to the satisfaction of the conditions set forth herein, the Shares shall be transferred to the Buyer free and clear of all liens, claims, pledges and encumbrances.

**SECTION 3.3. Validity of Agreement; Authorization.** Subject to Bankruptcy Court approval, the Seller has all requisite power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the performance of the Seller's obligations hereunder have been or prior to Closing will be authorized by all necessary action on the part of the Seller. This Agreement has been duly executed by the Seller and, assuming this Agreement constitutes the valid and binding obligation of the Buyer, constitutes the Seller's valid and binding obligation enforceable against the Seller in accordance with its terms.

**SECTION 3.4. No Conflict or Violation.** The execution, delivery and performance by the Seller of this Agreement and, subject to the satisfaction of the conditions set forth herein, the consummation of the transactions contemplated hereby do not and will not: (i) violate or conflict with any provision of the organizational documents of a Company; or (ii) violate any provision of Law or any Order applicable to the business of the Companies.

**SECTION 3.5. Consents and Approvals.** Section 3.5 of the Disclosure Schedule sets forth a true and complete list of each consent, waiver, authorization or approval of any Governmental Entity, and each declaration to or filing or registration with any such Governmental Entity, that is required of or to be made by each Company or the Seller in connection with the execution and delivery of this Agreement by any of them or the performance by any of them of their respective obligations hereunder.

**SECTION 3.6. Licenses, Permits and Governmental Approvals.**

(a) Section 3.6 of the Disclosure Schedule sets forth a true and complete list of all material licenses (including, but not limited to, licenses, permits, registrations or authorizations), franchises, authorizations and approvals issued or granted to, or required to be held by, the Companies by the United States, any state or local government, any foreign national or local government, or any department, agency, board, commission, bureau or instrumentality of any of the foregoing, including licenses, permits or approvals issued by Fannie Mae, Freddie Mac, the Federal Housing Administration or the Department of Veteran Affairs (each a "License" and,

collectively, the “**Licenses**”), and all pending applications therefor. Each License is valid, in full force and effect, and not subject to any pending or to Seller's or the Companies' knowledge, threatened, administrative or judicial proceeding to suspend, revoke, cancel or declare such License invalid in any material respect, in each case, other than would not reasonably be expected to result in a Material Adverse Effect.

(b) Each Company has all material Licenses required to conduct its business as now conducted, and such Licenses are sufficient and adequate in all material respects to permit the continued lawful conduct of such business in the manner now conducted. Neither Company is in violation of any of the Licenses except as would not reasonably be expected to result in a Material Adverse Effect. No event or omission has occurred that has resulted, could result or will result in the loss, restriction or impairment of any License, except as would not reasonably be expected to result in a Material Adverse Effect. The Companies' financial condition as of the date of this Agreement, including net worth, is sufficient to maintain all Licenses in good standing.

(c) There are no Licenses, the continued and unrestricted effect, availability and benefit of which are conditioned on the ongoing relationships between either Company and Seller or any of Seller's Affiliates.

**SECTION 3.7. Compliance with Law and Agreements.** The operations of each Company have been conducted in accordance with all applicable Licenses, Laws, and Orders, other than as would not reasonably be expected to result in a Material Adverse Effect. Except as set forth in Section 3.7 of the Disclosure Schedule, the operations of each Company have been conducted in accordance with all Material Contracts, other than as would not reasonably be expected to result in a Material Adverse Effect. As of the date of this Agreement, except as set forth in Section 3.7 of the Disclosure Schedule, neither the Seller nor either of the Companies has received notice of any material violation of any such License, Law, Order, or Material Contract.

**SECTION 3.8. Litigation.** As of the date of this Agreement, there are no material claims, actions, suits, proceedings, labor disputes or investigations pending or, to the knowledge of the Seller, threatened before any federal, state or local court or governmental, administrative or regulatory authority, domestic or foreign, or before any arbitrator of any nature, brought by or against the Seller, the Companies or their officers, directors, employees, or agents, or any of the Seller's or the Companies' respective Affiliates involving, affecting or relating to any assets, properties or operations of the Companies or the transactions contemplated by this Agreement, in each case, other than as would not reasonably be expected to result in a Material Adverse Effect. As of the date of this Agreement, neither the Seller nor the Companies nor any of the assets or properties of the Seller or the Companies is subject to, any License, Law or Order that affects the Shares or the assets, properties, operations, prospects, net income or financial condition of the Companies or which would materially interfere with or limit the transactions contemplated by this Agreement.

**SECTION 3.9. Tax Matters.** Each Company has filed when due all Tax Returns required by applicable Law to be filed and all Taxes required by Law to be withheld or paid have been paid. All such Tax Returns were true, correct and complete as of the time of such

filing and are in compliance with all applicable Laws and Orders. As of the date of this Agreement, there is no action, suit, proceeding, investigation, audit or claim now pending against, or with respect to, the Companies in respect of any Tax, nor is any claim for additional Tax asserted or, to the Companies' knowledge, threatened to be asserted by any Tax authority, and to the Companies' knowledge, no basis for such claim exists (with or without notice or the passage of time or both).

**SECTION 3.10. Rating Downgrades.** Other than as disclosed on Section 3.10 of the Disclosure Schedule, as of the date of this Agreement there have been no downgrades or ratings watches for possible downgrades of the Companies' ratings by any ratings agencies since November 26, 2008.

**SECTION 3.11. Employees.** Section 3.11 of the Disclosure Schedule sets forth a true and complete list of all contracts for employment with individual employees of either of the Companies (the "**Employee Contracts**"), and all such Employee Contracts have been made available to the Buyer. Section 3.11 of the Disclosure Schedule also describes all material defaults under such Employment Contracts. Section 3.11 of the Disclosure Schedule also sets forth a true and complete list of all employees of the Companies, and their compensation. Except as set forth on Disclosure Schedule 3.11, all employees of the Companies are "at will".

**SECTION 3.12. Major Customers.** Section 3.12 of the Disclosure Schedule sets forth a true and complete list of the Companies' top twenty customers for year ended December 31, 2008 based upon (i) revenue, (ii) the number of loans serviced and (iii) the dollar value of loans serviced (collectively, the "**Major Customers**"). For each Major Customer, Section 3.12 of the Disclosure Schedule also sets forth whether the applicable Company is obligated pursuant to the terms of the Major Customer Contract in respect of such Major Customer to maintain a minimum rating to remain effective (or to otherwise avoid a breach of the agreement by such Company), and if so, such minimum rating. As of the date of this Agreement, the agreements between the applicable Company and the Major Customers (the "**Major Customer Contracts**") are in full force and effect. As of the date of this Agreement, none of the Major Customers has notified Seller or either Company in writing that such customer is terminating or intends to terminate or renegotiate the Major Customer Contract between the applicable Company and such Major Customer. There are no contracts with any Major Customers, the continued and unrestricted effect, availability and benefit of which are conditioned on the ongoing relationships between either Company and Seller or any of Seller's Affiliates.

**SECTION 3.13. Accounts Receivable.** All of the Companies' accounts receivable arose in the ordinary course of business pursuant to bona fide agreements between the Companies' account debtors and the Companies. Except as set forth on Section 3.13 of the Disclosure Schedules, all accounts receivable of the Companies are due from Third Parties, and not from Seller or from Affiliates of Seller or Affiliates of the Companies. To the knowledge of the Seller, none of the accounts receivables of the Companies are subject to offset, credit, chargeback, discount or other reduction, and to the knowledge of the Seller, the receivables of the Companies are collectible in the ordinary course of business.

**SECTION 3.14. Financial Statements.** LoanCare's (i) audited balance sheet and related statements of operations and cash flows for the year ended December 31, 2007, (ii) unaudited balance sheet and related statements of operations and cash flows for the year ended December 31, 2008 and (iii) unaudited balance sheet for the month ended January 31, 2009 (the "**January Balance Sheet**"), present fairly in all material respects the financial position of LoanCare as of December 31, 2007, December 31, 2008, and January 31, 2009, respectively, and the results of operations and cash flows for the years then ended, as applicable, in conformity with GAAP (except for, (a) in the case of financial statements for the year ended December 31, 2008 and the month ended January 31, 2009, the absence of footnotes and subject to year end adjustments and immaterial audit adjustments, and (b) in the case of financial statements for the month ended January 31, 2009, the absence of statements of operations and cash flows). Without limiting the foregoing, such financial statements set forth all intercompany payables, receivables and loans between either of the Companies on one hand, and Seller or any of Seller's Affiliates (except the Companies) on the other hand.

**SECTION 3.15. Servicing Advances.** Section 3.15 of the Disclosure Schedules sets forth each contract or agreement pursuant to which, as of January 31, 2009, either Company is required to make servicer or subservicer advances. Section 3.15 of the Disclosure Schedule further sets forth the amount and nature (i.e., principal and interest, corporate or escrow) of each servicer or subservicer advance made by either Company and outstanding as of January 31, 2009.

**SECTION 3.16. Contracts Between Companies and Others.** Except for Major Customer Contracts and Employee Contracts, Section 3.16 of the Disclosure Schedules sets forth all: (i) contracts and agreements between either Company and customers of either Company pursuant to which revenues for the year ended December 31, 2008 were at least \$50,000, (ii) contracts and agreements between either Company and any Affiliate of either Company (other than contracts and agreements solely between the Companies), (iii) vendor contracts and agreements between either Company as the vendee and any Third Party as the vendor, pursuant to which the outstanding obligations of the Companies are at least \$200,000 as of the date of this Agreement (including without limitation the contract for the Backintheblack software) or such vendor was paid at least \$50,000 during the year ended December 31, 2008, (iv) leases for real property pursuant to which either Company is the lessee, and (v) other contracts and agreements between either Company and Third Parties pursuant to which the outstanding payment obligations of such Company are at least \$50,000 as of the date of this Agreement, including without limitation any contract or agreement pursuant to which either Company (x) provides credit support to Seller or any Affiliate of Seller (except the Companies), or (y) is liable for the obligations of Seller or any Affiliate of Seller (except the Companies) (collectively with the Major Customer Contracts and the Employee Contracts, the "**Material Contracts**"). Except as set forth in Section 3.16 of the Disclosure Schedules, the execution, delivery and performance of this Agreement does not violate, result in a breach of or constitute a default under any Material Contract, except for any such breach or default as would not reasonably be expected to result in a Material Adverse Effect. Section 3.16 of the Disclosure Schedules also sets forth all defaults under any Material Contracts described herein of which Seller or the Companies are aware. Section 3.16 of the Disclosure Schedules also sets forth those Material Contracts between Seller and Third Parties that benefit either Company. Neither the Seller nor any Affiliate of the Seller provides any guarantee of any contractual obligations of

either Company with respect to the lease for real property located at the Company's Virginia Beach, Virginia location.

**SECTION 3.17. Trust, Escrow and Custodial Accounts.** All trust, escrow and custodial accounts of the Companies as agent for investors for whom loans are serviced have been properly maintained and accounted for in all material respects in accordance with applicable Licenses, Laws, Orders, and contracts, and are not property of the Bankruptcy Estate. Section 3.17 of the Disclosure Schedules lists all such accounts and the depositories at which such accounts are maintained.

**SECTION 3.18. Absence of Certain Developments.** Other than as reflected on LoanCare's balance sheet as of January 31, 2009 and other than in the ordinary course of business, since January 31, 2009, except for Permitted Payments and to the extent that Seller or its Affiliates have allocated liabilities to either Company relating to Reimbursable Obligations, (i) neither Company has transferred or distributed cash or other assets of such Company to any Affiliate of such Company (including without limitation Seller), and has not declared, set aside or paid any dividend or other distributions (whether in cash, stock or property or any combination thereof), (ii) no liabilities or obligations of an Affiliate of either Company (including without limitation Seller), which liabilities or obligations are unrelated to the business of the Companies, have been contributed to, imposed on, or transferred to either Company by an Affiliate thereof (including without limitation Seller), and (iii) with respect to liabilities or obligations related both to the business of the Companies and to the business of any Affiliate of the Companies (including without limitation Seller), the portion of the liabilities or obligations allocable to any Affiliate of the Companies (including without limitation Seller) have not been contributed to either Company.

#### **ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer hereby represents, warrants and agrees as follows:

**SECTION 4.1. Corporate Organization.** The Buyer is a limited partnership validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to own its properties and assets and to conduct its business as now conducted.

**SECTION 4.2. Validity of Agreement; Authorization.** The Buyer has the corporate power to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the performance of the Buyer's obligations hereunder have been authorized by all necessary action on the part of the Buyer. This Agreement has been duly executed by the Buyer and, assuming this Agreement constitutes the valid and binding obligation of the Seller, constitutes the Buyer's valid and binding obligation enforceable against the Buyer in accordance with its terms.

**SECTION 4.3. No Conflict or Violation.** The execution, delivery and performance by the Buyer of this Agreement does not and will not: (i) violate or conflict with any provision of the organizational documents of the Buyer; or (ii) violate any provision of Law.

**SECTION 4.4. Consents and Approvals.** Except as disclosed on Section 4.4 of the Disclosure Schedules, no consent, approval or authorization of, or filing, registration or qualification with, any Governmental Entity on the part of the Buyer or any vote, consent or approval in any manner of the holders of any Security of the Buyer is required as a condition to the execution and delivery of this Agreement.

**SECTION 4.5. Financial Ability.** The Buyer has access to, and on the Closing Date will have, sufficient funds available to pay the Purchase Price at Closing.

**SECTION 4.6. Brokers.** Except as set forth in Section 4.6 of the Disclosure Schedules, neither the Buyer nor any Person acting on its behalf has paid or become obligated to pay any fee or commission to any broker, finder or intermediary for or on account of the transactions contemplated by this Agreement and Seller shall have no liability for any such fees or commissions.

**SECTION 4.7. Purchase Not for Distribution.** The Shares to be acquired by the Buyer under the terms of this Agreement will be acquired by the Buyer for its own account and not with a view to distribution. The Buyer will not resell, transfer, assign or distribute any Shares, except in compliance with the registration requirements of the Securities Act of 1933, as amended, and of any applicable state securities laws, or pursuant to an available exemption therefrom.

**SECTION 4.8. Independent Investigation.** The Buyer hereby acknowledges and affirms that it has completed its own independent investigation, analysis and evaluation of the Companies, that it has made all such reviews and inspections of the business, assets, results of operations, condition (financial or otherwise) and prospects of the Companies as it has deemed necessary or appropriate, and that in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby it has relied on its own independent investigation, analysis, and evaluation of the Companies' and the Seller's representations and warranties made in Article III.

**SECTION 4.9. Disclaimer of Warranties.** Notwithstanding anything contained in this Agreement, it is the explicit intent of each Party that the Buyer is not making any representations or warranties whatsoever, express or implied, beyond those expressly given in Article IV of this Agreement

## **ARTICLE V. COVENANTS**

**SECTION 5.1. Conduct of Business Prior to the Closing Date.** Except as expressly permitted by this Agreement or with the prior written consent of the Buyer, during the period from the date of this Agreement to the Closing Date, the Seller shall cause each Company

to (i) conduct its business in compliance in all material respects with all applicable Laws, Orders and Licenses, and in a manner consistent with practices prior to November 26, 2008, (ii) use commercially reasonable efforts to maintain and preserve intact its working capital, assets, business organization and management and advantageous business relationships with its customers, suppliers and others having business dealings with it and retain the services of its officers and key employees, and (iii) take no action that is intended to or would reasonably be expected to adversely affect or materially delay the ability of the Seller to perform its covenants and agreements under this Agreement or to consummate the transactions contemplated hereby. During the period from the date of this Agreement to the Closing Date, without the prior written consent of the Buyer, each Company shall not, and the Seller shall not cause a Company to, do any of the following if such action would reasonably be expected to result in a Material Adverse Effect: (A) make, change or revoke any election or method of accounting with respect to Taxes affecting or relating to a Company; (B) file any amended Tax Return, enter into any closing or other agreement or settlement with respect to Taxes affecting or relating to a Company; (C) consent to any extension or waiver of the limitations period applicable to the assessment or collection of any Taxes; (D) enter into any transaction or series of transactions or take any position on any Tax Return; (E) change the compensation of its employees or terminate or hire additional employees outside of the ordinary course of business; (F) elect to terminate any of the contracts or agreements set forth in Section 3.16 of the Disclosure Schedule, except as otherwise expressly authorized or required by this Agreement or in the ordinary course of business; (G) enter into new contracts except as required in this Agreement or in the ordinary course of business; or (H) transfer any of its assets out of the ordinary course of business. In addition, during the period from the date of this Agreement to the Closing Date, unless the prior written consent of the Buyer is obtained, (i) Seller shall cause each Company not to transfer or distribute cash or other assets of each such Company to any Affiliate of either Company (including without limitation Seller), or declare, set aside or pay any dividend or other distributions (whether in cash, stock or property or any combination thereof), (ii) Seller and its Affiliates shall not impose on, contribute to, or transfer to either Company any liability or obligation unrelated to the business of the Companies or allocable to Seller or Seller's Affiliates, and (iii) without the prior written consent of the Buyer, Seller shall not, and shall cause each Company not to, discount, compromise or otherwise change the payment terms of the accounts receivable of each Company. Notwithstanding anything to the contrary, nothing contained herein shall prohibit (a) either Company from making any Permitted Payments or (b) the Seller or its Affiliates from allocating liabilities to either Company relating to Reimbursable Obligations. Seller shall not cause either Company to file bankruptcy, whether in the Bankruptcy Case or otherwise. Seller shall not, and shall cause each Company not to, encourage, solicit or assist any involuntary bankruptcy filing against either Company.

**SECTION 5.2. Access to Properties and Records.** The Seller shall afford, and shall cause each Company to afford, to the Buyer and the Buyer's accountants, counsel and representatives reasonable access during normal business hours and upon reasonable advance Notice throughout the period prior to the Closing Date (or the earlier termination of this Agreement pursuant to Article VIII hereof) to all the properties, books, contracts, commitments and records of the Companies and, during such period, shall furnish to the Buyer all information concerning the business, properties, liabilities, customers, contracts, and personnel of the Companies as the Buyer may reasonably request, provided that no investigation or receipt of information pursuant to this Section 5.2 shall affect any representation or warranty of the Seller,

or the conditions to the obligations of the Buyer. Between the date of this Agreement and the Closing, the Buyer shall have no right of access to, and the Seller shall have no obligation to provide to the Buyer, (i) bids received from others in connection with the transactions contemplated by this Agreement or any Alternative Transaction and information and analysis (including financial analysis) relating to such bids (except as set forth in the Bidding Procedures Order, which shall provide that the Buyer is entitled to receive copies of all bids that are submitted as an alleged Alternative Transaction), or (ii) any information the disclosure of which would jeopardize, upon the advice of the Seller's counsel, any privilege available to the Seller or a Company relating to such information or would cause the Seller or a Company or any of their respective Affiliates to breach a confidentiality obligation owed to any Third Party. The Buyer agrees that if the Buyer or its Representatives knowingly receive, or if the information (whether in electronic mail format, on computer hard drives or otherwise) held by a Company as of the Closing includes, information that relates to the business operations or other strategic matters of the Seller or any of its Affiliates (other than a Company) unrelated to the business of a Company, such information shall not be disclosed to Third Parties. The Buyer further agrees that if the Seller or a Company inadvertently furnishes to the Buyer copies of or access to information that is subject to clause (ii) of the second preceding sentence, the Buyer will, upon the Seller's written request, promptly return same to the Seller together with any and all extracts therefrom or notes pertaining thereto (whether in electronic or other format) and delete any e-mail containing any such information after providing copies of such e-mail to the Seller. The Buyer shall indemnify, defend and hold harmless the Seller and its Affiliates from and against any losses asserted against or suffered by the Seller or its Affiliates relating to, resulting from, or arising out of, examinations or inspections made by the Buyer or its authorized representatives pursuant to this Section 5.2. Notwithstanding the foregoing, between the date of this Agreement and the Closing, the Buyer shall not have access to personnel records of the Seller or a Company relating to individual performance or evaluation records, medical histories or other personnel information which, in the Seller's good faith opinion, is sensitive or the disclosure of which could subject the Seller or a Company to liability under applicable Laws.

**SECTION 5.3. Further Assurances.** Upon the request of a Party hereto at any time after the Closing Date, the other Party will forthwith execute and deliver such further instruments of assignment, transfer, conveyance, endorsement, direction or authorization and other documents as the requesting Party or its counsel may reasonably request in order to perfect title of the Buyer and its successors and assigns to the Shares or otherwise to effectuate the purposes of, and consummate the transactions contemplated by, this Agreement.

**SECTION 5.4. Tax Matters.** All transfer, documentary, sales, use, stamp, registration, value added and other such taxes and fees (including any penalties and interest) incurred in connection with this Agreement shall be borne and paid by the Buyer when due, and the Seller will, at its own expense, file all necessary tax returns and other documentation with respect to all such taxes and fees, and, if required by applicable law, the Buyer will, and will cause its Affiliates to, join in the execution of any such tax returns and other documentation.

**SECTION 5.5. Cooperation on Tax Matters.** The Buyer and the Seller shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the preparation and filing of any tax return, statement, report or form (including any report required pursuant to Section 6043 of the Code and all Treasury Regulations promulgated

thereunder), any audit, litigation or other proceeding with respect to taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Companies and the Seller agree (i) to retain all books and records with respect to tax matters pertinent to the Companies relating to any pre-closing tax period, and to abide by all record retention agreements entered into with any taxing authority and (ii) to give the other party reasonable written notice prior to destroying or discarding any such books and records and, if the party so requests, the Companies or the Seller, as the case may be, shall allow the other party to take possession of such books and records.

#### **SECTION 5.6. Bankruptcy Filings, Covenants and Agreements.**

(a) Within five (5) business days following the date of execution of this Agreement, the Seller shall file with the Bankruptcy Court (i) the Sale Motion, seeking entry of the Approval Order and (ii) the Bidding Procedures Motion, seeking entry of the Bidding Procedures Order. The Seller shall use commercially reasonable efforts to obtain as soon as reasonably practicable the entry of the Bidding Procedures Order and in any event prior to the date that is 40 days from the date of this Agreement. Without limiting the foregoing, the Seller shall request that the hearing to approve the Bidding Procedures Order be set on no more than the minimum notice required under the Bankruptcy Court's rules, for the first date available on the Bankruptcy Court's calendar (e.g., the next omnibus hearing date that is after the requisite notice period).<sup>1</sup> The Buyer agrees that it will promptly take such actions as are reasonably requested by the Seller to assist in obtaining entry of the Approval Order and the Bidding Procedures Order, including furnishing affidavits or other documents or information reasonably requested by the Seller for filing with the Bankruptcy Court for the purposes of obtaining approval of this Agreement and entry of such Orders, including but not limited to demonstrating (i) adequate assurance of future performance by the Buyer under this Agreement and (ii) that the Buyer is a "good faith" purchaser under section 363(m) of the Bankruptcy Code. In the event the entry of the Approval Order or the Bidding Procedures Order shall be appealed and until such time as this Agreement has been terminated, the Seller and the Buyer shall each use its commercially reasonable efforts to defend such appeal.

(b) From the date hereof through the date on which the Bankruptcy Court enters an order either granting or denying the Bidding Procedure Motion (the "**Non-Solicitation Period**"), the Seller shall not, and shall cause its officers, directors, employees, agents and representatives not to (a) solicit or initiate any inquiries regarding the submission of any Alternative Transaction, (b) participate in any discussions or negotiations regarding, or furnish to any Person any information with respect to, any Alternative Transaction, (c) enter into any agreement with respect to any Alternative Transaction or approve any Alternative Transaction, or (d) propose any plan of reorganization or plan of liquidation to retain or dispose of the Shares; provided, however, nothing herein shall prohibit the Seller from furnishing information to any Person who

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<sup>1</sup> NOTE FOR BUYERS: These hearings occur monthly so we don't anticipate undue delay.

has executed a confidentiality agreement as of the date of this Agreement with respect to an Alternative Transaction.

(c) Notwithstanding the foregoing, during the Non-Solicitation Period, the Seller may (a) solicit or initiate any inquiries regarding the submission of any Alternative Transaction, (b) participate in any discussions or negotiations regarding, or furnish to any Person any information with respect to, any Alternative Transaction, (c) enter into any agreement with respect to any Alternative Transaction or approve any Alternative Transaction, or (d) propose any plan of reorganization or plan of liquidation to retain or dispose of the Shares, if (x) the Seller has not breached this Section 5.6, (y) such Person or group has submitted an unsolicited written Alternative Transaction the Seller determines in its sole discretion constitutes or may reasonably be expected to lead to a Superior Transaction, and (z) the Seller, in the exercise of its fiduciary duties determines that such action is in the best interest of the Bankruptcy Estate, provided that the Seller shall only be permitted to take the foregoing action if (1) no less than one (1) Business Day prior to furnishing any such information or entering into any such discussions or negotiations, the Seller provides the Buyer written notice of their intention to take such action, (2) such Person has executed an Acceptable Confidentiality Agreement, (3) promptly upon furnishing any such information to such Person or group, the Seller furnishes the Buyer a list (which list may be nothing more than a reference to the virtual data room maintained in connection with the transactions contemplated hereby) of such information provided to such Person or group and, to the extent such information has not been previously furnished to the Buyer, copies of such information, and (4) if Seller enters into a definitive agreement with respect to any Alternative Transaction or approves any Alternative Transaction prior to the expiration of the Non-Solicitation Period, or if the Seller seeks to modify the Bidding Procedures Order to approve a Person other than the Buyer as a stalking horse or takes the Bidding Procedures Motion off calendar because the Seller desires to enter into an Alternative Transaction, and the Buyer is not in breach of any provision of this Agreement and, the Buyer thereafter files a motion under Bankruptcy Code Section 503(b) to recover the proposed Break-up Fee or Expense Reimbursement, the Seller shall consent to the granting of such motion.

(d) Without limiting the foregoing, the Seller, the Companies and the Buyer acknowledge and agree that, following the earlier of (i) the termination of this Agreement in accordance with Article VIII and (ii) the date the Bankruptcy Court enters an order either granting or denying the Bidding Procedures Motion, Section 5.6(b) shall be of no further force or effect and, the Seller, its Affiliates and Representatives shall be permitted to solicit inquiries, proposals, offers or bids from, and negotiate with, any Person other than the Buyer relating to any Alternative Transaction, provided that such negotiation shall be undertaken in accordance with the terms of the Bidding Procedures Order (provided such order has been entered), and may take any other affirmative action (including entering into any agreement or letter-of-intent with respect thereto so long as doing so does not violate directly or indirectly the Bidding Procedures Order) to cause, promote or assist such Alternative Transaction; provided, however, that, if the Bidding Procedures Order has been entered, the Seller and its Affiliates may only enter into, and seek Bankruptcy Court approval of, any definitive agreement with respect thereto if such Alternative Transaction is a Superior Transaction. The Seller and its Affiliates and Representatives shall only be permitted to supply information relating to the Seller, the Companies, the Shares or all or substantially all of the assets of the Companies to prospective purchasers that have executed an Acceptable Confidentiality Agreement. Each time a

prospective purchaser executes a confidentiality agreement, Seller shall within two (2) days thereafter inform the Buyer that a prospective purchaser has executed a confidentiality agreement. Unless a prospective purchaser has authorized Seller to disclose such prospective purchaser's identity, Seller shall not be obligated to disclose such prospective purchaser's identity; provided that nothing herein shall affect the right of the Buyer to receive copies of any qualified bids made in accordance with the Bid Procedures Order. Other than as set forth in Section 8.3, none of the Seller nor its Affiliates or Representatives shall have any liability to the Buyer, either under or relating to this Agreement or any applicable Law, by virtue of entering into or seeking Bankruptcy Court approval of such a definitive agreement for an Alternative Transaction which is a Superior Transaction pursuant to this Section 5.6.

**SECTION 5.7. Confidentiality.** The Parties acknowledge that the Seller and the Buyer previously executed a Confidentiality Agreement, which Confidentiality Agreement shall continue in full force and effect as to both Companies until completion of the Closing, at which time the Buyer's obligations thereunder with respect to the Evaluation Material (as defined in the Confidentiality Agreement) relating solely to the Companies shall terminate. Notwithstanding the foregoing, the Parties acknowledge and understand that in connection with seeking the Approval Order and the Bidding Procedure Order and implementation thereof, this Agreement (together with the Exhibits and Schedules attached hereto) will be filed with the Bankruptcy Court and made publicly available, and, prior to the entry of such Orders, disclosures relating to the transactions contemplated by this Agreement will be made to the Creditor's Committee, and to their respective advisors and representatives, and the Parties agree that such filing and disclosures will be not be deemed to violate any confidentiality obligations owing to any Party, whether pursuant to this Agreement, the Confidentiality Agreement or otherwise. After the Closing, Seller shall not disclose any confidential information regarding the Companies except as required in connection with the administration of the Bankruptcy Case, as required by Law or requested by any Governmental Entity or administrative agency or as may be necessary to preserve or defend its rights under this Agreement. In addition, the Seller may disclose such confidential information to any representative, agent or attorney of Seller (each a "**Permitted Recipient**"), provided that the Seller shall cause such Permitted Recipient to observe the terms of this provision as if an original recipient of such confidential information. Neither this Section 5.7 nor any other provision in this Agreement shall in any way limit the disclosure of information by the Seller in connection with the administration of the Bankruptcy Case.

**SECTION 5.8. Employee Matters.**

(a) During the period commencing on the Closing Date and ending on the first (1st) anniversary of the Closing Date (the "**Continuation Period**"), the Buyer will provide, or cause to be provided, to each employee of the Companies who remains employed by the Buyer or any of its Affiliates following the Closing Date (the "**Company Employees**") with a base salary or hourly wage rate, which is no less favorable to such employee's base salary or hourly wage rate immediately before the Closing Date; provided, that the foregoing shall not be construed as a guaranty of employment for any employee, including any Company Employee.

(b) During the Continuation Period, the Buyer will use commercially reasonable efforts to provide, or cause to be provided, to each Company Employee the opportunity to participate in employee benefit plans, programs and policies which provide benefits that are no

less favorable in the aggregate to the benefits provided to such employee under the employee benefit plans sponsored by a Company and/or the Seller immediately before the Closing Date and listed on Section 5.8 of the Disclosure Schedules. Notwithstanding the foregoing, the Buyer shall not be required to pay more in costs and premiums than the lesser of (i) the amount or the costs and premiums Seller or the Companies actually pay for the benefits for Company Employees described herein, or (ii) the amount allocated by Seller to the Companies for the costs and premiums for the benefits for Company Employees described herein.

(c) For all purposes under the employee benefit plans of the Buyer or its Affiliates providing benefits to any Company Employees on or after the Closing Date and for purposes of accrual of vacation and paid time off (the “**Buyer’s Plans**”), each Company Employee will be credited with his or her years of service with the appropriate Company and its Affiliates before the Closing Date (including predecessor or acquired entities or any other entities for which a Company or any of its Affiliates has given credit for prior service), to the same extent as such Company Employee was entitled, before the Closing Date, to credit for such service under the corresponding plan of a Company, except for purposes of benefit accrual under defined benefit plans, for any purpose where service credit for the applicable period is not provided to participants generally, and to the extent such credit would result in a duplication of accrual of benefits. In addition, with respect to any Buyer’s Plan providing medical, dental, pharmaceutical and/or vision benefits to any Company Employee, the Buyer shall, or shall cause to, give effect, in determining any deductible and maximum out-of-pocket limitations under any such Buyer’s Plan for the plan year in which the Closing Date occurs, to amounts paid or incurred by such Company Employees during such year under comparable plans of a Company; and the Buyer shall cause any pre-existing conditions limitations and eligibility waiting periods under any Buyer’s Plan to be waived with respect to Company Employees and their eligible dependents to the extent any such limitations or periods were waived or were inapplicable under any similar or comparable plans of a Company.

(d) Nothing contained herein, express or implied: (i) shall be construed to establish, amend, or modify any benefit plan, program, agreement or arrangement, (ii) shall alter or limit the ability of a Company, the Buyer, or any of their respective Affiliates to amend, modify or terminate any benefit plan, program, agreement or arrangement at any time assumed, established, sponsored or maintained by any of them, (iii) is intended to confer upon any current or former employee any right to employment or continued employment for any period of time by reason of this Agreement, or any right to a particular term or condition of employment, or (iv) is intended to confer upon any Person (including employees, retirees, or dependents or beneficiaries of employees or retirees) any right as a third-party beneficiary of this Agreement.

(e) Seller and the Companies agree that, effective as of the Closing, Gene D. Ross (“**Ross**”) shall be released from the post-employment restrictive covenants (“**Covenants**”) set forth in Sections 8 through 10 of that certain Employment Agreement dated December 1, 2004 between LoanCare and Ross, as amended by that certain Addendum to Employment Agreement dated as of December 1, 2007 (as amended, “**Employment Agreement**”), but only insofar as the Covenants are for the benefit of any Person other than LoanCare or LCI. For clarification, the Covenants in the Employment Agreement shall continue in full force and effect to the extent that they are for the benefit of LoanCare or LCI.

**SECTION 5.9. Fees and Expenses.** Except as set forth in Section 8.3, each Party agrees to bear its own transaction expenses and brokerage fees in connection with this Agreement and the transactions contemplated hereby, and all fees and expenses, including fees and expenses of counsel, financial advisors, brokers, investment bankers, and accountants, as well as any employee incentive compensation related to the transactions contemplated hereby, incurred in connection with this Agreement and the transactions contemplated hereby, shall be paid by the Party incurring such fee or expense, whether or not the Closing shall have occurred. Without limiting the foregoing, neither Company nor the Buyer shall be charged with any fees of the Seller in administering the Bankruptcy Case.

**SECTION 5.10. Director and Officer Liability and Indemnification.**

(a) From and after the Closing Date, the Buyer shall, and shall cause each Company to, to the maximum extent permitted by law, indemnify and hold harmless (including by advancing funds for expenses) (i) the present and former officers and directors (or equivalent) of each Company solely in their capacities as such, and specifically excluding any Damages arising out of or otherwise attributable to any action or omission of Seller or any other Affiliate of Seller or either Company, from and against any and all costs or expenses (including reasonable attorneys' fees and expenses), judgments, fines, losses, claims, damages, liabilities and amounts paid in settlement in connection with any actual or threatened claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative ("**Damages**"), arising out of, relating to or in connection with any acts or omissions occurring or alleged to occur prior to or as of the Closing Date, including the approval of this Agreement or arising out of or pertaining to the transactions contemplated by this Agreement; and (ii) such persons from and against any and all Damages arising out of acts or omissions in connection with such persons serving as an officer or director (or equivalent) or other fiduciary in any entity if such service was at the request or for the benefit of a Company. The Buyer shall obtain as of the Closing Date "tail" insurance policies with a claims period of at least six years from the Effective Time with respect to directors' and officers' liability insurance with an amount of coverage not less than \$10 million and with such other terms as are no less favorable in the aggregate than those of the directors' and officers' liability insurance maintained as of the date of this Agreement by each Company; provided, that the aggregate cost of such policy to the Buyer and the Companies shall not exceed \$100,000.

(b) This Section 5.10 shall survive the Closing and is intended to be for the benefit of, and shall be enforceable by, present or former directors or officers (or equivalent) of each Company, their respective heirs and personal representatives and shall be binding on the Buyer, each Company, and their respective successors and assigns. In the event that either the Buyer or a Company or any of their respective successors or assigns (i) consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all its properties and assets to any Person (including by dissolution), then, and in each such case, the successors and assigns of the Buyer or a Company, as applicable, shall assume and honor the obligations set forth in this Section 5.10.

(c) The agreements and covenants contained herein shall not be deemed to be exclusive of any other rights to which any such present or former director or officer (or

equivalent) is entitled, whether pursuant to Law, contract or otherwise. Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to a Company or its officers and directors (or equivalent) and employees, it being understood and agreed that the indemnification provided for in this Section 5.10 is not prior to or in substitution for any such claims under any such policies.

(d) Following the Closing Date, each Company shall include and maintain in its certificate of incorporation or bylaws (or similar organizational documents) for a period of six years after the Closing Date, provisions regarding the elimination of liability of directors (or their equivalent), indemnification of officers and directors thereof and advancement of expenses which are, in the aggregate, no less advantageous to the intended beneficiaries than the corresponding provisions contained in such organizational documents as of the date of this Agreement.

**SECTION 5.11. Disclaimer of Warranties.** Notwithstanding anything contained in this Agreement, it is the explicit intent of each Party that the Seller and the Companies are not making any representations or warranties whatsoever, express or implied, beyond those expressly given in Article III of this Agreement, and it is understood that, except for the representations and warranties contained herein, the Buyer takes the Shares and the business and assets of each Company "as is" and "where is." Without limiting the generality of the immediately foregoing, except for the representations and warranties specifically contained in Article III, the Seller hereby expressly disclaims and negates any representation or warranty, expressed or implied, at the common law, by statute, or otherwise, relating to (a) the condition of the assets of a Company (including any implied or expressed warranty of merchantability or fitness for a particular purpose, or of conformity to models or samples of materials) or (b) any infringement by the Seller or any of its Affiliates (including the Companies) of any patent or proprietary right of any Third Party; it being the intention of the Seller and the Buyer that the business and assets of each Company are to be accepted by the Buyer in their present condition and state of repair. It is understood that any cost estimates, projections, or other predictions or other statements or information contained or referred to in the offering materials that have been provided to the Buyer are not and shall not be deemed to be representations or warranties of the Seller, the Companies, or any of their respective Affiliates.

**SECTION 5.12. InterCompany and Affiliate Contracts and Agreements.**

(a) Except for those contracts and agreements identified on Schedule 5.12(a), as of or prior to the Closing, all contracts and agreements between the Seller or any of its Affiliates (other than the Companies), on the one hand, and either of the Companies on the other hand, shall be terminated without any further liability to any party thereto other than liabilities with respect to Reimbursable Obligations.

(b) Notwithstanding anything to the contrary in Section 5.12(a) and subject to Sections 3.18, 5.1 and 5.12(c), as of or prior to the Closing, (i) all intercompany receivables or payables and loans then existing between the Seller or any of its Affiliates (other than the Companies) on the one hand, and either of the Companies on the other hand, shall be settled in the ordinary course of business, (ii) all outstanding advances by the Seller to either Company

under the Line of Credit shall be reimbursed by such Company, and (iii) all Permitted Payments shall be made by the Companies to the Seller or its Affiliates, as applicable.

(c) In the event that, prior to the Closing Date, the Companies are unable to make the payments as set forth in Section 5.12(b), the Seller shall prepare and deliver to the Buyer as promptly as practicable, but in any event within thirty (30) days after the Closing Date, a statement (the “**Reimbursable Obligations Statement**”) setting forth a calculation of the amount of (i) all Reimbursable Obligations incurred by either Company for the period beginning on the date of this Agreement and ending on the Closing Date (the “**Reimbursable Obligations Incurred**”), and (ii) the portion of the Reimbursable Obligations Incurred that were outstanding as of the Closing Date (the “**Outstanding Reimbursable Obligations**”) (the difference, if any, between the Reimbursable Obligations Incurred and the portion of the Reimbursable Obligations Incurred disputed by the Buyer shall be referred to as the “**Disputed Amount**”). Within five (5) Business Days after delivery of the Reimbursable Obligations Statement, the Buyer shall notify the Seller, in writing of the Disputed Amount, if any (the “**Buyer Dispute Notice**”), and shall pay, or cause the applicable Company to pay, to the Seller, by wire transfer of immediately available funds, the Outstanding Reimbursable Obligations less the Disputed Amount. If the Disputed Amount exceeds the Outstanding Reimbursable Obligations, and the Seller agrees that the Disputed Amount is correct, the Seller shall pay the Buyer within five (5) Business Days after receipt of the Buyer Dispute Notice, the amount by which the Disputed Amount exceeds the Outstanding Reimbursable Obligations. If the Seller believes that the Disputed Amount is incorrect, the Seller shall provide the Buyer written notice thereof within five (5) Business Days after receipt of the Buyer’s notification of the Disputed Amount (the “**Seller Dispute Notice**”). The Buyer and the Seller shall negotiate in good faith to resolve the Disputed Amount set forth in the Seller Dispute Notice. If the Buyer and the Seller are unable, within thirty (30) days after receipt by the Buyer of the Seller Dispute Notice, to resolve the Disputed Amount, such Disputed Amount shall be referred to a firm of independent certified public accountants (the “**Independent Accounting Firm**”) mutually acceptable to the Buyer and the Seller. The Independent Accounting Firm shall, within thirty (30) days following its selection, deliver to the Buyer and the Seller a written report determining the Disputed Amount (and only the Disputed Amount), and its determinations will be conclusive and binding upon the parties thereto for the purposes of determining the Disputed Amount. The fees and disbursements of the Independent Accounting Firm acting under this Section 5.12(c) shall be apportioned between the Seller and the Buyer based on the total dollar value of the Disputed Amount resolved in favor of each such party, with each such party bearing such percentage of the fees and disbursements of the Independent Accounting Firm as the aggregate Disputed Amount resolved against that party bears to the total dollar value of the Disputed Amount considered by the Independent Accounting Firm.

**SECTION 5.13. Third Party Contracts and Agreements.** Prior to the Closing, Seller and the Companies shall arrange for the termination and cancellation of the Companies’ obligations under any contract or agreement pursuant to which either Company (i) provides credit support to Seller or any Affiliate of Seller (except the Companies), or (ii) is liable for the obligations of Seller or any Affiliate of Seller (except the Companies).

**SECTION 5.14. Vendor Relationships.** Prior to the Closing, Seller and the Companies shall terminate all vendor relationships set forth on Section 6.7 of the Disclosure Schedule.

**SECTION 5.15. Non-Competition.**

(a) For a period commencing on the Closing Date and ending on the five year anniversary of the Closing Date (the “**Restricted Period**”), the Seller shall not, directly or indirectly, for itself or on behalf of or in conjunction with any Person, engage in or otherwise participate in the conduct of any business that is the same or substantially similar to the business of the Companies; provided, however, nothing herein shall restrict the Seller and its Affiliates from conducting their respective businesses as presently being conducted.

(b) The Parties expressly acknowledge that it would be difficult to measure the damages that might result from any breach of this Section 5.15, and that any such breach would result in irreparable injury to the Buyer for which it will have no adequate remedy at law. The Seller acknowledges and agrees that this Section 5.15 is (i) a material inducement for the Buyer to enter into this Agreement and consummate the transactions contemplated hereby, and (ii) reasonable under the circumstances to protect the assets acquired by the Buyer under this Agreement.

**SECTION 5.16. Reasonable Efforts.** The Seller and the Buyer shall use reasonable efforts consistent with Law to take all actions contemplated by this Agreement and, subject to the Seller’s and the Buyer’s rights to terminate this Agreement pursuant to Article VIII hereof, do all things reasonably necessary to effect the consummation of the transactions contemplated by this Agreement. Without limiting the foregoing, (i) beginning as soon as practicable after the date of this Agreement, the Seller shall, and shall cause the Companies to, use commercially reasonable efforts to notify the Governmental Entities listed on Section 3.5 of the Disclosure Schedules of the transactions contemplated by this Agreement and to prepare and submit the necessary applications referenced in Section 3.5 of the Disclosure Schedules (the “**Application Process**”), and the Buyer shall use commercially reasonable efforts to cooperate with the Seller with respect to such Application Process, and (ii) after the Closing, the Seller shall use commercially reasonable efforts to cooperate with the Buyer and the Companies in completing the Application Process if the Application Process has not been completed prior to Closing.

**ARTICLE VI.  
CONDITIONS TO OBLIGATIONS OF THE BUYER**

The obligations of the Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, at or before the Closing Date, of the following conditions, any one or more of which may be waived by the Buyer in its sole discretion:

**SECTION 6.1. Representations and Warranties of the Seller.** All representations and warranties made by the Seller in this Agreement shall be true and correct (without giving effect to any limitation as to “materiality” or “Material Adverse Effect” set forth

therein) at and as of the date of this Agreement and at and as of the date on which the last condition set forth herein has been satisfied or waived (except for such representations and warranties that are made as of a specific date, in which case they shall be true and correct as of such specific date), except where the failure to be so true and correct would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

**SECTION 6.2. Performance of the Seller's Obligations.** The Seller shall have performed in all material respects all obligations required under this Agreement to be performed by it on or before the Closing Date.

**SECTION 6.3. Approval Order.** The Bankruptcy Court shall have entered an Order or Orders, in form and substance reasonably acceptable to the Buyer and to the Seller and substantially in the form of the Order annexed hereto as Exhibit B (the "**Approval Order**") and such Order or Orders shall be final and shall not have been reversed, modified, rescinded or stayed pending appeal. The Approval Order shall provide, among other things, that Buyer is acquiring the Shares and the Purchased Assets free and clear of all liens, claims, pledges and encumbrances. For the avoidance of doubt, the terms of the Approval Order attached as Exhibit B are reasonably acceptable to the Parties.

**SECTION 6.4. No Violation of Orders.** No preliminary or permanent injunction or other Order issued by any court or governmental or regulatory authority, domestic or foreign, nor any statute, rule, regulation, decree or executive order promulgated or enacted by any Governmental Entity shall be in effect which prevents or prohibits the consummation of any of the transactions contemplated by this Agreement or that makes it illegal for either Party hereto to perform its obligation hereunder.

**SECTION 6.5. No Bankruptcy Filing by Either Company.** Neither Company shall be a debtor in any bankruptcy, including without limitation the Bankruptcy Case.

**SECTION 6.6. Transition Services Agreement.** At the Closing, Seller, the Companies and the Buyer shall have entered into a Transition Services Agreement in the form attached hereto as Exhibit A, to take effect upon Closing.

**SECTION 6.7. Vendor Relationships.** At the Closing, except for the software license covering BackintheBlack, the vendor relationships set forth in Section 6.7 of the Disclosure Schedules shall have been terminated without cost or liability to the Companies.

## **ARTICLE VII. CONDITIONS TO OBLIGATIONS OF THE SELLER**

The obligations of the Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, at or before the Closing Date, of the following conditions, any one or more of which may be waived by the Seller in its sole discretion:

**SECTION 7.1. Representations and Warranties of the Buyer.** All representations and warranties made by the Buyer in this Agreement that are qualified as to

materiality (or any variation thereof) shall be true and correct and such representations and warranties that are not so qualified shall be true and correct in all material respects, in each case on and as of the Closing Date as if again made by the Buyer on and as of such date (except to the extent expressly made as of an earlier date, in which case as of such earlier date).

**SECTION 7.2. Performance of the Buyer's Obligations.** The Buyer shall have performed in all material respects all obligations required under this Agreement to be performed by it on or before the Closing Date.

**SECTION 7.3. Approval Order.** The Bankruptcy Court shall have entered the Approval Order and such Approval Order shall be final and shall not have been reversed, modified, rescinded or stayed pending appeal. For the avoidance of doubt, the terms of the Approval Order attached as Exhibit A are reasonably acceptable to the Parties.

**SECTION 7.4. No Violation of Orders.** No preliminary or permanent injunction or other Order issued by any court or governmental or regulatory authority, domestic or foreign, nor any statute, rule, regulation, decree or executive order promulgated or enacted by any Governmental Entity shall be in effect which prevents or prohibits the consummation of any of the transactions contemplated by this Agreement or that makes it illegal for either party hereto to perform its obligation hereunder.

**SECTION 7.5. Transition Services Agreement.** At the Closing, Seller, the Companies and the Buyer shall have entered into a Transition Services Agreement in the form attached hereto as Exhibit A, to take effect upon Closing.

## **ARTICLE VIII. TERMINATION**

**SECTION 8.1. Termination.** This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing in the following manner:

- (a) by mutual written consent of the Seller and the Buyer;
- (b) by either the Seller or the Buyer, if any Governmental Entity with jurisdiction over such matters shall have issued an order or injunction restraining, enjoining, or otherwise prohibiting the sale of the Shares hereunder and such order, decree, ruling, or other action shall have become final and non-appealable;
- (c) by either the Seller or the Buyer if the Closing shall not have occurred on or before the 75th day after entry of the Bidding Procedures Order (such date, the “**Outside Date**”) (provided that if the Bidding Procedures Order or the Approval Order are appealed and stayed pending appeal, at the option of the Buyer to be communicated to the Seller in writing, this period shall be tolled during the time that the stay is in effect), but the right to terminate this Agreement under this Section 8.1(c) shall not be available to the Seller or the Buyer if the failure

of the Closing to occur prior to the Outside Date is solely the result of the failure by such Party to perform its obligations under this Agreement;

(d) by the Buyer, if prior to the Closing the Bankruptcy Court enters an Order that is not stayed pending appeal authorizing the Seller to enter into an Alternative Transaction or the Seller enters into an agreement with respect to an Alternative Transaction;

(e) by either the Seller or the Buyer, (i) at any time on or after the date that the Bankruptcy Court denies the Bidding Procedures Motion, (ii) at any time following the fortieth (40th) day following the date of this Agreement, if the Bidding Procedures Order has not been entered by the Bankruptcy Court as of the time of such termination, or (iii) at any time following the stay or reversal of the Bidding Procedures Order by a court of competent jurisdiction (unless the Closing has occurred prior to the stay or reversal of the Bidding Procedures Order), and such stay or reversal is not reversed, revoked, voided or vacated within forty-five (45) days thereof; but the right to terminate this Agreement under this Section 8.1(e) shall not be available to the Seller or the Buyer if the failure of any such Order not being entered is solely the result of the failure by such Party to perform its obligations under this Agreement;

(f) by either the Seller or the Buyer, at any time on or after (i) the date that the Bankruptcy Court denies the Sale Motion, (ii) the ninetieth (90th) day following the date of this Agreement, if the Approval Order has not been entered by the Bankruptcy Court as of the time of such termination or (iii) at any time following the stay or reversal of the Approval Order by a court of competent jurisdiction (unless the Closing has occurred prior to the stay or reversal of the Approval Order), and such stay or reversal is not reversed, revoked, voided or vacated within forty-five (45) days thereof; but the right to terminate this Agreement under this Section 8.1(f) shall not be available to the Seller or the Buyer if the failure of any such Order not being entered is solely the result of the failure by such Party to perform its obligations under this Agreement;

(g) by the Buyer, upon a material breach of any covenant or agreement of the Seller set forth in this Agreement, or if any representation or warranty of the Seller is or becomes untrue, and in each case such material breach or untruth (i)(A) cannot be cured within twenty (20) Business days of the date on which the Seller receives written notice thereof or (B) has not been cured within thirty (30) days of the date on which the Seller receives written notice thereof and (ii) would result in the failure to satisfy the conditions to Closing set forth in Sections 6.1 or 6.2;

(h) by the Seller, upon a material breach of any covenant or agreement of the Buyer set forth in this Agreement, or if any representation or warranty of the Buyer is or becomes untrue, and in each case such material breach or untruth (i)(A) cannot be cured within twenty (20) Business days of the date on which the Buyer receives written notice thereof or (B) has not been cured within thirty (30) days of the date on which the Buyer receives written notice thereof and (ii) would result in the failure to satisfy the conditions to Closing set forth in Section 7.1 or 7.2; or

(i) by the Seller if the Auction is held and (i) the Buyer is not the Winning Bidder or the Back-up Bidder or (ii) the Buyer was the Back-up Bidder but is no longer obligated to remain as the Back-up Bidder pursuant to the terms of the Bidding Procedures Order.

**SECTION 8.2. Effect of Termination.** If a Party terminates this Agreement under Section 8.1, then such Party shall promptly give Notice to the other Party specifying the provision hereof pursuant to which such termination is made, and this Agreement shall become void and have no effect, except that the agreements contained in this Article VIII, Section 5.7 and Article IX shall survive the termination hereof. Nothing contained in this Section 8.2 shall relieve any Party from liability for Damages actually incurred as a result of any breach of this Agreement prior to such termination. No termination of this Agreement shall affect the obligations of the Parties pursuant to the Confidentiality Agreement, except to the extent specified in such Confidentiality Agreement.

**SECTION 8.3. Break-up Fee; Expense Reimbursement.**

(a) In the event that the Bidding Procedures Order has been entered and is not subject to a stay and this Agreement is terminated pursuant to Section 8.1(b), Section 8.1(c), Section 8.1(d), Section 8.1(f), Section 8.1(g) or Section 8.1(i), then the Seller shall pay to the Buyer its reasonable out-of-pocket fees (including reasonable attorneys' fees) and expenses incurred in connection with the transactions contemplated by this Agreement not to exceed \$100,000 (such amount, the "**Expense Reimbursement**").

(b) In the event that (i) the Bidding Procedures Order has been entered and is not subject to a stay and/or has not been reversed or vacated, in the event that this Agreement is terminated pursuant to Section 8.1(d), Section 8.1(g) (solely as a result of any willful breach by the Seller of a covenant contained in this Agreement), or Section 8.1(i), then the Seller shall become obligated to pay to the Buyer, the Breakup Fee (in addition to the Expense Reimbursement payable pursuant to Section 8.3(a)); provided, however, that such Break-up Fee and Expense Reimbursement shall be paid no later than two Business Days after the earlier of (i) the date the Seller consummates a transaction with respect to the Companies that yields proceeds equal to or greater than the sum of the Break-up Fee and the Expense Reimbursement or (ii) the Effective Date of a plan of liquidation of the Seller.

(c) Until paid, the Break-up Fee and Expense Reimbursement hereunder shall be entitled to "Administrative Expense" priority under sections 503(b) and 507(a)(1) of the Bankruptcy Code in the Bankruptcy Case.

**ARTICLE IX.  
MISCELLANEOUS**

**SECTION 9.1. Successors and Assigns; No Third Party Beneficiaries.** This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns; provided, however, that neither party shall assign or delegate any of the obligations created under this Agreement without the prior written consent of the other party, provided, further, that the Buyer may assign its rights, interests and obligations hereunder to an Affiliate, provided, no such assignment shall relieve the Buyer from any of its agreements and obligations hereunder and no such assignment shall adversely affect or delay the closing of the transaction contemplated by this Agreement. Other than as set forth in Section 5.10, nothing in this Agreement shall confer upon any Person or entity not a party to this Agreement, or the

legal representatives of such Person or entity, any rights or remedies of any nature or kind whatsoever under or by reason of this Agreement.

**SECTION 9.2. Non-Survival of Representations and Warranties.** The representations and warranties of the Parties contained in this Agreement shall terminate upon the earlier of the Closing or the termination of this Agreement pursuant to Article VIII, as the case may be.

**SECTION 9.3. Notices.** All Notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made if delivered personally or sent by registered or certified mail (postage prepaid, return receipt requested) to the parties at the following addresses:

(a) If to the Buyer, to:

George McCabe, Managing Partner  
c/o Pine Creek Partners  
1055 Thomas Jefferson Street, NW  
Suite 650  
Washington, DC 20007  
202-333-7784 (direct)  
202-333-7786 (facsimile)

(b) If to Seller, to:

LandAmerica Financial Group, Inc.  
5600 Cox Road  
Glen Allen, VA 23060  
Attention: Michelle Gluck  
Facsimile: (804) 267-8830

with a copy to:

Willkie Farr & Gallagher LLP  
787 Seventh Avenue  
New York, NY 10019  
Attention: Rachel C. Strickland, Esq.  
Mark A. Cognetti, Esq.  
Facsimile: (212) 728-8111

or to such other Persons or at such other addresses as shall be furnished by either party by like Notice to the other, and such Notice shall be deemed to have been given or made as of the date so delivered or mailed. No change in any of such addresses shall be effective insofar as notices under this Section 9.3 are concerned unless such changed address is located in the United States of America and notice of such change shall have been given to such other party hereto as provided in this Section 9.3.

**SECTION 9.4. Entire Agreement.** This Agreement, together with the Disclosure Schedule and the Exhibits hereto, represent the entire agreement and understanding of the parties with reference to the transactions set forth herein and no representations or warranties have been made in connection with this Agreement other than those expressly set forth herein or in the Disclosure Schedule, exhibits, certificates and other documents delivered in accordance herewith. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings and agreements between the parties relating to the subject matter of this Agreement and all prior drafts of this Agreement, all of which are merged into this Agreement. No prior drafts of this Agreement and no words or phrases from any such prior drafts shall be admissible into evidence in any action or suit involving this Agreement.

**SECTION 9.5. Waivers and Amendments.** The Seller or the Buyer may by written notice to the other: (a) extend the time for the performance of any of the obligations or other actions of the other; (b) waive any inaccuracies in the representations or warranties of the other contained in this Agreement; (c) waive compliance with any of the covenants of the other contained in this Agreement; (d) waive performance of any of the obligations of the other created under this Agreement; or (e) waive fulfillment of any of the conditions to its own obligations under this Agreement. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach, whether or not similar, unless such waiver specifically states that it is to be construed as a continuing waiver. This Agreement may be amended, modified or supplemented only by a written instrument executed by the parties hereto.

**SECTION 9.6. Severability.** This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as a part of this Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

**SECTION 9.7. Titles and Headings.** The Article and Section headings and any table of contents contained in this Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Agreement or of any term or provision hereof.

**SECTION 9.8. Signatures and Counterparts.** Facsimile transmission of any signed original document and/or retransmission of any signed facsimile transmission shall be the same as delivery of an original. At the request of either party, the parties will confirm facsimile transmission by signing a duplicate original document. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

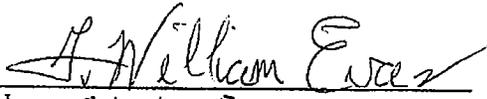
**SECTION 9.9. Enforcement of the Agreement.** The parties hereto agree that irreparable damage would occur to the Seller if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Seller shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereto, this being in addition to any other remedy to which it is entitled at law or in equity.

**SECTION 9.10. Governing Law.** This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of New York without giving effect to the choice-of-law provisions thereof to the extent that the application of the laws of another jurisdiction would be required thereby. The Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes that may arise under this Agreement and in respect of the transactions contemplated hereby; provided, however, that in the event the Bankruptcy Court at any time declines to accept jurisdiction, each of the Parties hereby irrevocably (i) submits to the jurisdiction of the courts of the State of New York and the federal courts of the United States located in New York, New York regarding any such claim or dispute; (ii) agrees that all claims and disputes shall be heard and determined in such courts; (iii) waives, to the fullest extent permitted by applicable law, any objection that they may now or hereafter have to the venue of any such claim or dispute brought in such court or any defense of inconvenient forum for the maintenance of such claim or dispute; and (iv) agrees that a judgment in any claim or dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

LANDAMERICA FINANCIAL GROUP, INC.

By:   
Name: G. William Evans  
Title: Executive Vice President & CFO

ALPINE EQUITY, L.P.

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

LANDAMERICA FINANCIAL GROUP, INC.

By: \_\_\_\_\_  
Name:  
Title:

ALPINE EQUITY, L.P.

By:  \_\_\_\_\_  
Name: GEORGE MCCLURE  
Title: GENERAL PARTNER  
PINE CREEK EQUITY PARTNERS, LLC

## **Disclosure Schedules**

These Disclosure Schedules have been prepared and delivered in connection with the Stock Purchase Agreement (the "Purchase Agreement"), dated as of March 13, 2009, by and between LandAmerica Financial Group, Inc. (the "Seller") and Alpine Equity, L.P. (the "Buyer"). Capitalized terms used but not defined herein shall have the respective meanings set forth in the Purchase Agreement.

These Disclosure Schedules are qualified in its entirety by reference to specific provisions of the Purchase Agreement and are not intended to constitute, and shall not be construed as constituting, representations or warranties of the Seller except as and to the extent provided in the Purchase Agreement. Disclosure made with respect to any section of any Disclosure Schedule shall also be deemed disclosed on other sections of the Disclosure Schedules.

The disclosure or incorporation by reference of any particular information herein is not intended and shall not be deemed (nor shall it be used in any dispute or controversy between the parties or otherwise by any party) to constitute an acknowledgement or admission by the Seller that any such matter, information or item is required to be disclosed or is material or that such information satisfies any threshold requirement for inclusion of information herein for purposes of the representations and warranties set forth in the Purchase Agreement or otherwise or that the subject matter of such disclosure may have a Material Adverse Effect on the Seller.

Headings in these Disclosure Schedules are for reference only and shall not affect the interpretation or meaning of any information contained herein or in the Purchase Agreement.

**Schedule 1.1 – Knowledge List**

LandAmerica Financial Group:

Melissa Hill, Executive Vice President - Operations

Jeff Vaughan, Executive Vice President – Corporate Development

Michael Beverly, Senior Vice President & Associate General Counsel

David Kardell, Vice President & Corporate Counsel

G. William Evans, Director

LoanCare Servicing Center, Inc.

Gene Ross, President

Leslie Hodges, Chief Accounting Officer

Patrick Gluesing, Chief Operating Officer

Jennifer Cottle, Vice President, Division Resources

Linda Sams, Senior Vice President, Compliance & QC Manager

Kim Bigham, Vice President, Loan Administration Manager

**Schedule 2.1 – Purchased Assets**

**Assets at Owings Mills, MD utilized by LoanCare:**

**Furniture, Fixtures & Equipment**

34 – Cubicles/Workstations  
34 - Workstation Task Chairs  
12 - Lateral File Cabinets  
4 - Lateral Book Shelves  
2 - Office Desks  
2 - Desk Chairs  
4 - Side Chairs  
3 - Round Tables  
3 - Roller Tables  
1 - 6' Table

**Technology:**

Leased Copier  
33 Cisco desktop phones  
275 Microsoft Professional Desktop Licenses\*  
10 Windows Server Standard\*  
4 SQL Server Standard Edition Per Processor\*  
1 Exchange Server Standard\*  
Symon Enterprise Server/Software  
Symon Design Studio Software  
3 Digital Display Units  
RR Donnelly Services Agreement

**Assets at Virginia Beach, VA utilized by LoanCare:**

22 - Cubicles/Workstations  
22 – Workstation Task Chairs  
3 - Laptops

Note: Items marked (\*) are licensed.

**Schedule 3.5 – Consents and Approvals**

<b>Governmental Entity</b>	<b>Consents and Approvals</b>
State of Arizona	Prior written consent
State of California	Provide written application prior to change of control
District of Columbia	File an application 60 days prior to change
State of Florida	File an initial application 30 days before such purchase or acquisition
State of Georgia	File an application with the department 30 days prior to the change
State of Illinois	File application at least 10 days prior to the proposed date of change.
State of Iowa	Notification and approval 30 days prior to proposed date of change
State of Kentucky	Apply to the Department for approval 30 days prior to change
State of Maine	Notification prior to change. May require new application and approval
State of Maryland	Notification and approval 60 days prior to proposed date of change
State of Michigan	Apply to the Department for approval 60 days prior to change
State of Mississippi	File an application within 30 days before the closing
State of Nebraska	Notification and approval 60 days prior
State of North Carolina	Prior written consent 60 days in advance
State of Texas	Notification and approval at least 30 days prior to the projected change
State of West Virginia	Notification and approval 30 days prior to change
Freddie Mac	Notification at least 14 Business Days prior to the projected change
Fannie Mae	Notification and approval at least 30 days prior to projected change
Ginnie Mae	Prior approval at least 30 days prior to projected change

**Schedule 3.6 – Licenses, Permits and Governmental Approvals**

<b>Agency</b>	<b>Type of License</b>
State of Alabama	Foreign Qualification
State of Arkansas	Mortgage Servicer Foreign Qualification
State of Arizona	Foreign Qualification Escrow Agent – Pending
State of California	Residential Mortgage Lender Foreign Qualification
State of Colorado	Foreign Qualification
District of Columbia	Mortgage Lender License Foreign Qualification
State of Florida	Mortgage Lender License Foreign Qualification
State of Georgia	Registration Foreign Qualification
State of Illinois	Residential Mortgage Lender Foreign Qualification
State of Iowa	Mortgage Banker Debt Collector Foreign Qualification
State of Kansas	Mortgage Business Act License Foreign Qualification
State of Kentucky	Mortgage Loan Company License
State of Maine	Loan Servicer Debt Collector Foreign Qualification
State of Maryland	Mortgage Lender Foreign Qualification
State of Massachusetts	Third Party Loan Servicer Foreign Qualification
State of Michigan	Mortgage Servicer Secondary Mortgage Servicer Foreign Qualification

Agency	Type of License
State of Minnesota	Residential Mortgage Servicer Foreign Qualification
State of Mississippi	Mortgage Company Lender License Foreign Qualification
State of Nebraska	Mortgage Banker Foreign Qualification
State of Nevada	Foreign Qualification
State of New Hampshire	Mortgage Servicer Foreign Qualification
State of New Jersey	Foreign Qualification
State of New Mexico	Foreign Qualification
State of North Carolina	Collection Agency Foreign Qualification Loan Servicer
State of North Dakota	Foreign Qualification
State of Ohio	Mortgage Loan Act Registration Foreign Qualification
State of South Carolina	Supervised Lender License Foreign Qualification
State of Tennessee	Mortgage Broker, lender & Servicer Registration
State of Texas	Regulated Loan License Third Party Debt Collector
State of Utah	Residential First Mortgage Notification
State of Vermont	Foreign Qualification
State of Virginia	Business License
State of West Virginia	Mortgage Lender/Servicer License Business Registration Certificate Collection Agency Foreign Qualification
State of Wisconsin	Mortgage Banker License
Freddie Mac	Seller/Servicer
Fannie Mae	Seller/Servicer
US Dept of Housing and Urban Development	Servicer
Veterans Administration	Servicer
Ginnie Mae	Issuer

**Schedule 3.7 – Compliance with Law and Agreements**

1. A letter received from Freedom Mortgage Corporation (“Freedom”), dated February 4, 2009, asserted that LoanCare was in material breach of its Subservicing Agreement dated April 1, 2005 and Freedom was seeking termination.
2. A letter received from Freedom, dated February 25, 2009, asserted that Freedom will move the servicing of all Ginnie Mae loans subserviced by LoanCare effective as of May 1, 2009.

**Schedule 3.10 – Rating Downgrades**

1. On January 6, 2009, **Moody's Investors Service** downgraded the Servicer Quality ("SQ") Rating for LoanCare Servicing Center, Inc. as a primary servicer of prime residential mortgage loans to SQ4+ from SQ3. Furthermore, Moody's placed the rating on review for further possible downgrade.

2. On December 10, 2008, **Fitch Ratings** downgraded LoanCare Servicing Center, Inc.'s U.S. residential primary servicer ratings as follows:

- Residential primary specialty subservicer rating to 'RPS4' from 'RPS2-';
- Residential primary prime servicer rating to 'RPS4' from 'RPS3'.

The ratings were also placed on Rating Watch Evolving.

**Schedule 3.11**

**[REDACTED]**

**Schedule 3.12 – Major Customers**

<b>Rank</b>	<b>Client Number</b>	<b>Number of Loans Dec '08</b>	<b>UPB (\$) Dec '08</b>	<b>Revenue (\$) Dec '08</b>	<b>Rating Required (Yes/No)*</b>
1	51	65,063	8,624,301,112	7,942,533	No
2	171	3,322	439,601,945	244,381	No
3	69	2,836	364,850,219	389,408	No
4	122	2,023	131,273,753	306,380	No
5	83	1,433	136,212,458	202,279	No
6	157	1,318	304,196,066	82,155	No
7	195	1,216	54,980,943	235,536	No
8	211	824	107,237,366	99,451	No
9	225	784	129,571,507	44,570	No
10	172	784	73,100,467	110,088	No
11	62	747	117,502,219	85,553	No
12	45	566	69,096,153	64,544	No
13	108	530	123,676,525	78,861	No
14	186	510	36,049,525	148,778	No
15	64	486	35,359,370	50,253	No
16	228	476	129,240,673	88,503	No
17	84	417	110,793,729	133,429	No
18	96	402	105,147,458	120,896	No
19	19	399	40,305,975	79,551	No
20	220	398	61,023,964	213,477	No

\* - Though none of the Top Twenty Customers' contracts contain rating requirements, Fannie Mae as part of their Servicing Guide and effective December 31, 2008, established certain minimum rating requirements for primary servicers.

Top Twenty Customers that have provided notification of intent to terminate:

1. See Schedule 3.7.
2. A letter received from Provident Bank ("Provident"), dated February 4, 2009, provided required notice to LoanCare under Section 5.2(a) of the SubServicing Agreement dated December 1, 2008 that Provident, as a result of a merger, was seeking termination of such agreement effective with the work of April 30, 2009.

**Schedule 3.13 – Accounts Receivable**

Accounts Receivable as of January 31, 2009 relating to the balance of \$3,762.25 from LandAmerica OneStop, Inc., Tax and Flood Division, an Affiliate of Seller.

**Schedule 3.15 – Servicing Advances****Advances under Subservicing Agreements as of January 31, 2009**

<b>Client Number</b>	<b>Total Advance (\$)</b>	<b>Escrow Advance (\$)</b>	<b>Corporate Advance (\$)</b>	<b>P&amp;I Advance (\$)</b>
4	181.51	0.00	181.51	0.00
5	15,474.36	12,215.76	3,258.60	0.00
8	1,599.95	699.95	900.00	0.00
9	9,303.57	2,090.04	7,213.53	0.00
10	69,457.58	59,112.81	10,344.77	0.00
13	32,583.75	13,840.86	18,742.89	0.00
19	125,190.69	84,046.77	35,546.79	5,597.13
28	69.17	8.27	60.90	0.00
29	487.80	0.00	487.80	0.00
36	15.18	0.00	15.18	0.00
39	31,619.31	23,190.60	8,429.17	(0.46)
41	226.69	186.69	40.00	0.00
43	113,573.61	101,627.35	11,946.26	0.00
45	3,904.81	3,154.95	3.58	746.28
48	39,774.36	22,778.06	16,687.76	308.54
51	11,545,675.36	9,153,618.51	2,418,584.17	(26,527.32)
56	113,398.70	76,630.60	36,211.13	556.97
58	24,138.74	24,033.71	105.03	0.00
61	5,354.59	5,354.59	0.00	0.00
62	28,532.51	28,225.58	306.93	0.00
63	1,408.83	1,388.83	20.00	0.00
64	49,369.57	43,866.04	5,466.51	37.02
69	67,671.67	62,996.24	2,568.19	2,107.24
75	106,557.02	104,821.37	1,735.65	0.00
78	838.93	818.93	20.00	0.00
83	94,524.50	94,559.23	(34.73)	0.00
84	283,169.81	182,984.09	100,185.72	0.00
87	9,147.88	8,960.78	187.10	0.00
89	3,315.92	3,285.47	30.45	0.00
90	103,160.73	98,226.73	4,934.00	0.00

<b>Client Number</b>	<b>Total Advance (\$)</b>	<b>Escrow Advance (\$)</b>	<b>Corporate Advance (\$)</b>	<b>P&amp;I Advance (\$)</b>
96	116,852.79	96,308.34	20,540.02	4.43
97	4,922.25	4,432.23	490.02	0.00
100	15.48	0.00	15.48	0.00
101	188.14	188.14	0.00	0.00
108	17,464.72	11,630.77	5,833.95	0.00
112	10.15	21.00	(10.85)	0.00
113	927.30	856.40	70.90	0.00
114	1,007.22	957.62	49.60	0.00
115	32.31	12.01	20.30	0.00
116	39,596.70	67,479.85	25,620.57	(53,503.72)
119	26,213.85	22,787.02	3,426.83	0.00
120	81,778.02	65,697.85	16,080.17	0.00
122	472,281.62	156,027.20	173,982.72	142,271.70
125	1,294.00	1,294.00	0.00	0.00
127	850.26	441.96	408.30	0.00
137	581.23	571.08	10.15	0.00
139	55,126.32	43,515.65	11,610.67	0.00
141	3,562.59	5,037.79	(1,475.20)	0.00
152	4,173.94	4,173.94	0.00	0.00
157	208,177.41	160,326.57	47,850.84	0.00
160	8,635.56	7,993.27	642.29	0.00
171	171,248.83	167,443.55	3,805.28	0.00
172	12,674.05	11,908.91	817.26	(52.12)
176	5,936.92	5,894.85	42.07	0.00
177	79,407.31	39,211.83	40,195.48	0.00
180	13,261.14	10,566.92	2,694.22	0.00
182	1,700.41	1,449.96	250.45	0.00
183	10.15	0.00	10.15	0.00
185	1,750.77	1,803.82	(53.05)	0.00
186	352,351.20	177,687.48	174,663.72	0.00
191	1,973.70	0.00	0.00	1,973.70
192	128,251.95	103,832.37	24,419.58	0.00
194	73,955.22	66,727.34	7,227.88	0.00

<b>Client Number</b>	<b>Total Advance (\$)</b>	<b>Escrow Advance (\$)</b>	<b>Corporate Advance (\$)</b>	<b>P&amp;I Advance (\$)</b>
195	3,337,251.51	1,187,969.44	521,031.07	1,628,251.00
197	3,668.16	3,526.21	141.95	0.00
198	15,664.86	15,664.86	0.00	0.00
199	24,057.64	8,753.34	15,304.30	0.00
200	9,349.42	6,958.76	2,390.51	0.15
204	2,546.55	2,403.25	143.30	0.00
209	1,452.00	0.00	1,452.00	0.00
211	148,063.14	145,525.21	2,537.93	0.00
212	147,110.16	115,367.14	31,743.02	0.00
213	4,039.97	4,029.82	10.15	0.00
215	8,585.46	7,921.00	105.75	558.71
217	14,527.01	0.00	0.00	14,527.01
218	246.54	246.54	0.00	0.00
220	985,857.99	10,107.01	975,750.98	0.00
221	80,263.03	2,562.79	77,363.89	336.35
222	114,251.60	0.00	113,852.91	398.69
223	14,647.69	13,782.34	865.35	0.00
224	29,736.36	29,716.06	20.30	0.00
225	46,469.05	43,934.70	1,245.00	1,289.35
227	55.00	0.00	55.00	0.00
228	2,541,535.32	1,835,094.59	706,440.73	0.00
232	453,151.97	379,905.09	73,246.88	0.00
234	695.00	0.00	695.00	0.00
<b>Totals</b>	<b>22,749,166.04</b>	<b>15,262,470.68</b>	<b>5,767,814.71</b>	<b>1,718,880.65</b>

**Schedule 3.16 – Contracts Between Companies and Others**

(i) Contracts with revenues of at least \$50,000 for the year ending December 21, 2008:

<b>Investor Number</b>	<b>Agreement</b>	<b>Revenue (\$)</b>
0064	Subservicing	50,252.86
0058	Subservicing	50,369.24
0194	Subservicing	50,835
0090	Subservicing	52,943
0116	Subservicing	53,726
0120	Subservicing	58,448
0178	Subservicing	58,991
0043	Subservicing	59,207
224,78,36	Subservicing	62,083
0045	Subservicing	64,544
59,82,71,77,62,83,72,61,60, 103,104,63,84,121,85,119	Subservicing	78,861
0019	Subservicing	79,551
0222	Scratch & Dent	80,030
232	Subservicing	82,155
0062	Subservicing	85,553
0228	Scratch & Dent	88,503
0010	Subservicing	92,740
0211	Subservicing	99,451
0021	Subservicing	109,354
0172	Subservicing	110,088
0096	Subservicing	120,896

<b>Investor Number</b>	<b>Agreement</b>	<b>Revenue (\$)</b>
0084	Subservicing	133,429
0186	Subservicing	148,778
0083	Subservicing	202,279
SB	Backup Servicing	210,662
0220	Scratch & Dent	213,477
0195	Subservicing	235,536
209,226,227,229,230,231	Scratch & Dent	242,245
0171	Subservicing	244,381
0122	Subservicing	306,380
3	eZ Loss Mitigation	331,496
FM	Quality Audit - LM	352,913
0069	Subservicing	389,408
1	eZ Loss Mitigation	902,581
2	eZ Loss Mitigation	943,378
SF	Seller Finance	1,619,299
0051	Subservicing	7,942,533
<b>TOTAL LOAN INCOME ANALYSIS</b>		<b>\$ 16,007,354.34</b>

(ii) Contracts with any Affiliate of either Company:

<b>Affiliate</b>	<b>Company</b>	<b>Agreement</b>	<b>Effective Date</b>
LandAmerica Credit Services	LoanCare Servicing Center, Inc.	Credit Reporting Subscriber Agreement	1/31/07
LandAmerica Default Services*	LoanCare Servicing Center, Inc.	Service Agreement	6/28/07
LandAmerica Tax and Flood*	LoanCare Servicing Center, Inc.	Tax Service Agreement	4/28/05
MSTD, Inc. (BITB)*	LoanCare Servicing Center, Inc.	License Agreement	4/6/06
LandAmerica Financial Group, Inc.	LoanCare Servicing Center, Inc.	Intra-corporate Subservicing Agreement	2/15/2008
LandAmerica OneStop, Inc.	LoanCare Servicing Center, Inc.	License Agreement with respect to Owings Mill location.	6/5/2008

\*NOTE: Divisions of LandAmerica OneStop, Inc.

(iii) Vendor Agreements or Agreements with either Company as vendee and any Third Party as vendor pursuant to which Companies owe at least \$200,000 or vendor was paid at least \$50,000 during the year ending December 31, 2008 (including BackInTheBlack):

<b>Vendor Name</b>	<b>Agreement</b>	<b>2008 Total (\$)</b>
Appleone Employment Services	Vendor Agreement	583,566.10
Aspect Software	Vendor Agreement	128,733.08
Assurant Group	Vendor Agreement	266,285.02
Bank of America	Vendor Agreement	110,581.25
Check Printers Inc.	Vendor Agreement	92,094.40
County Recorder	Vendor Agreement	53,037.25
Creative Office Environments	Vendor Agreement	98,416.71
FEDEX	Vendor Agreement	120,453.63

<b>Vendor Name</b>	<b>Agreement</b>	<b>2008 Total (\$)</b>
Fidelity National Information Services	Vendor Agreement	1,480,965.37
Harbinger PLC	Vendor Agreement	191,523.09
Kelly Services Inc.	Vendor Agreement	256,851.63
LandAmerica Tax and Flood Services	Vendor Agreement	106,057.14
LPS Mortgage Processing Solutions Inc.	Vendor Agreement	158,734.82
Moody's Investors Service	Vendor Agreement	50,000.00
MSTD Inc.	Vendor Agreement	105,343.40
New Global LLC	Vendor Agreement	67,540.80
OfficeMax Contract Inc.	Vendor Agreement	79,955.51
Rackspace IT Hosting	Vendor Agreement	57,239.00
Rosemont Servicing Center Inc.	Vendor Agreement	551,504.40
Sprint	Vendor Agreement	268,559.30
Venture	Vendor Agreement	684,892.99
Virginia Beach City Treasurer	Vendor Agreement	69,975.54
Volt	Vendor Agreement	123,378.12

(iv) Leases in which either Company is the Lessee:

LoanCare Virginia Beach, VA Office

3637 Sentara Way, Suite 303

Virginia Beach, VA 23452

Landlord: Runnymede Corporation

Lease Agreement: Available in Data Room

4759223.8

LoanCare Owings Mills, MD Office

11155 Dolfield Blvd., Suite 124

Owings Mills, MD 21117

Landlord: LandAmerica OneStop

License Agreement: Arrangement for approx. 5,000 sq ft. Available in the Data Room

LoanCare Prescott, AZ Office

325 West Gurley, Suite 101

Prescott, AZ 86301

Landlord: Fidelity

Lease Agreement: Informal agreement for approx. 150 sq ft. – written contract in process

(v) Other contracts with third parties to which the outstanding payment obligations are at least \$50,000:

None.

(vi) Any defaults under the above contracts:

None.

**Schedule 3.17 – Trust, Escrow and Custodial Accounts****Trust, Escrow, and Custodial Accounts as of January 31, 2009**

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
640	Buydown Funds	JP Morgan Chase	0.00
641	Buydown Funds	JP Morgan Chase	0.00
641	Buydown Funds	Guaranty Bank	50,221.97
General Servicing Clearing Account	Clearing Account	SunTrust Bank	24,485,276.07
General Servicing Clearing Account	Clearing Account	SunTrust Bank	17,258,070.52
General Servicing Clearing Account	Clearing Account	SunTrust Bank	24,072.40
General Servicing Clearing Account	Insurance Account	SunTrust Bank	1,517.71
S08-S10, S99	Custodial Account	SunTrust Bank	24,974.95
S11	Custodial Account	SunTrust Bank	986.66
S14-S16	Custodial Account	SunTrust Bank	0.00
100-115	Custodial Account	Carolina First Bank	820,583.48
125-139	Custodial Account	SunTrust Bank	0.00
100-115	Custodial Account	Carolina First Bank	826,202.09
116	Custodial Account	Carolina First Bank	1,832.83
117	Custodial Account	Carolina First Bank	821.72
124	Custodial Account	SunTrust Bank	2,440.22
128	Custodial Account	Provident Bank	764,187.64
140	Custodial Account	SunTrust Bank	4,673.41
160-166	Custodial Account	SunTrust Bank	4,255.08
175	Custodial Account	SunTrust Bank	0.00
176	Custodial Account	SunTrust Bank	0.00

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
178	Custodial Account	SunTrust Bank	342.14
179	Custodial Account	SunTrust Bank	573.45
180	Custodial Account	SunTrust Bank	3,459.13
183	Custodial Account	SunTrust Bank	8,183.56
184	Custodial Account	SunTrust Bank	12,708.57
185	Custodial Account	SunTrust Bank	46,847.24
186	Custodial Account	SunTrust Bank	568,158.42
187	Custodial Account	SunTrust Bank	3,191.50
190	Custodial Account	SunTrust Bank	0.00
200	Custodial Account	SunTrust Bank	42.81
201	Custodial Account	SunTrust Bank	0.00
202	Custodial Account	SunTrust Bank	97,222.87
203	Custodial Account	SunTrust Bank	0.00
207	Custodial Account	SunTrust Bank	0.00
208	Custodial Account	SunTrust Bank	1,539.60
209	Custodial Account	SunTrust Bank	28,682.71
210	Custodial Account	SunTrust Bank	1,137.59
211	Custodial Account	SunTrust Bank	0.00
212	Custodial Account	SunTrust Bank	6,504.00
215	Custodial Account	Hudson Valley Bank	723,346.75
216	Custodial Account	JP Morgan Chase	0.00
218	Custodial Account	SunTrust Bank	129,259.00
220	Custodial Account	SunTrust Bank	61,982.73
221	Custodial Account	SunTrust Bank	1,152.80

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
222	Custodial Account	SunTrust Bank	0.00
223	Custodial Account	SunTrust Bank	32,606.13
225	Custodial Account	SunTrust Bank	0.00
227	Custodial Account	SunTrust Bank	8,107.79
228	Custodial Account	SunTrust Bank	470.89
231	Custodial Account	SunTrust Bank	0.00
235	Custodial Account	SunTrust Bank	520,898.28
237	Custodial Account	SunTrust Bank	0.00
238	Custodial Account	SunTrust Bank	0.00
239	Custodial Account	SunTrust Bank	214,425.64
240	Custodial Account	SunTrust Bank	321,231.47
241	Custodial Account	SunTrust Bank	1,091.10
242	Custodial Account	SunTrust Bank	2,445.31
243	Custodial Account	SunTrust Bank	0.00
244	Custodial Account	SunTrust Bank	18.41
245	Custodial Account	SunTrust Bank	120.00
248	Custodial Account	HSBC	1,011.30
255	Custodial Account	SunTrust Bank	10,349.98
258	Custodial Account	SunTrust Bank	106,100.29
259	Custodial Account	SunTrust Bank	7,728.72
260	Custodial Account	SunTrust Bank	5,365.87
263	Custodial Account	Unity Bank	743,210.64
264	Custodial Account	SunTrust Bank	164,597.43
265	Custodial Account	SunTrust Bank	0.00

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
266	Custodial Account	SunTrust Bank	0.00
268	Custodial Account	SunTrust Bank	0.00
269	Custodial Account	SunTrust Bank	0.00
272	Custodial Account	SunTrust Bank	0.00
274	Custodial Account	SunTrust Bank	2,556.33
276	Custodial Account	SunTrust Bank	2,898.28
277	Custodial Account	SunTrust Bank	61,837.05
279	Custodial Account	SunTrust Bank	0.00
280	Custodial Account	Regent Bank	98,790.81
281	Custodial Account	SunTrust Bank	3,290,099.62
282	Custodial Account	SunTrust Bank	0.00
284	Custodial Account	SunTrust Bank	2,852.18
286	Custodial Account	SunTrust Bank	1,813.20
287	Custodial Account	SunTrust Bank	0.00
288	Custodial Account	SunTrust Bank	0.00
289	Custodial Account	SunTrust Bank	4,269.88
291	Custodial Account	Hudson Valley Bank	38,844.46
292	Custodial Account	SunTrust Bank	0.00
293	Custodial Account	SunTrust Bank	366.25
294	Custodial Account	SunTrust Bank	162,946.04
295	Custodial Account	SunTrust Bank	24,497.06
297	Custodial Account	SunTrust Bank	143,052.58
298	Custodial Account	SunTrust Bank	34,285.81
300	Custodial Account	SunTrust Bank	0.00

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
301	Custodial Account	SunTrust Bank	1,099.81
302	Custodial Account	SunTrust Bank	21,555.36
304	Custodial Account	Southside Bank	247,353.58
305	Custodial Account	SunTrust Bank	287,576.46
307	Custodial Account	SunTrust Bank	0.00
309	Custodial Account	SunTrust Bank	0.00
312	Custodial Account	SunTrust Bank	21,237.57
313	Custodial Account	SunTrust Bank	189,105.92
314	Custodial Account	SunTrust Bank	2,894.88
315	Custodial Account	SunTrust Bank	0.00
318	Custodial Account	SunTrust Bank	0.00
320	Custodial Account	SunTrust Bank	1,710.14
321	Custodial Account	SunTrust Bank	899.52
323	Custodial Account	SunTrust Bank	13,734.38
330	Custodial Account	HSBC	1,821.50
331	Custodial Account	Citizens Trust Bank	151,621.24
333	Custodial Account	SunTrust Bank	15,865.01
334	Custodial Account	Citizens Trust Bank	338,769.79
335	Custodial Account	Citizens Trust Bank	138,721.73
336	Custodial Account	SunTrust Bank	0.00
337	Custodial Account	SunTrust Bank	0.00
338	Custodial Account	SunTrust Bank	0.00
339	Custodial Account	SunTrust Bank	0.00
340	Custodial Account	SunTrust Bank	0.00

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
341	Custodial Account	SunTrust Bank	0.00
342	Custodial Account	SunTrust Bank	9,270.91
343	Custodial Account	SunTrust Bank	5,049.56
344	Custodial Account	SunTrust Bank	0.00
347	Custodial Account	JP Morgan Chase	0.00
348	Custodial Account	SunTrust Bank	0.00
349	Custodial Account	SunTrust Bank	0.00
350	Custodial Account	SunTrust Bank	11,232.33
353	Custodial Account	SunTrust Bank	1,918.30
354	Custodial Account	SunTrust Bank	0.00
355	Custodial Account	SunTrust Bank	1,950.27
358	Custodial Account	SunTrust Bank	0.00
362	Custodial Account	SunTrust Bank	0.00
363	Custodial Account	SunTrust Bank	45,998.28
364	Custodial Account	SunTrust Bank	5,718.46
365	Custodial Account	SunTrust Bank	386,180.84
366	Custodial Account	JP Morgan Chase	169,263.43
369	Custodial Account	SunTrust Bank	0.00
370	Custodial Account	SunTrust Bank	6,584.39
372	Custodial Account	SunTrust Bank	2,906.65
376	Custodial Account	SunTrust Bank	0.00
380	Custodial Account	SunTrust Bank	0.00
381	Custodial Account	SunTrust Bank	0.00
382	Custodial Account	SunTrust Bank	0.00

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
383	Custodial Account	SunTrust Bank	0.00
384	Custodial Account	SunTrust Bank	4,332.10
385	Custodial Account	SunTrust Bank	1,778.10
386	Custodial Account	SunTrust Bank	19,255.06
387	Custodial Account	SunTrust Bank	39,333.91
388	Custodial Account	SunTrust Bank	0.00
392	Custodial Account	SunTrust Bank	0.00
393	Custodial Account	SunTrust Bank	137,579.41
394	Custodial Account	SunTrust Bank	0.00
396	Custodial Account	SunTrust Bank	57,262.53
401	Custodial Account	SunTrust Bank	0.00
402	Custodial Account	Provident Bank	774.61
402	Custodial Account	SunTrust Bank	0.00
403	Custodial Account	SunTrust Bank	103,585.59
4	Custodial Account	SunTrust Bank	0.00
405	Custodial Account	SunTrust Bank	0.00
406	Custodial Account	SunTrust Bank	0.14
407	Custodial Account	SunTrust Bank	0.00
408	Custodial Account	SunTrust Bank	153,563.22
409	Custodial Account	Provident Bank	4,237.21
410	Custodial Account	SunTrust Bank	0.00
411	Custodial Account	SunTrust Bank	517.07
412	Custodial Account	SunTrust Bank	995.80
413	Custodial Account	SunTrust Bank	4,113.53

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
414	Custodial Account	Provident Bank	235,953.59
415	Custodial Account	SunTrust Bank	896.99
416	Custodial Account	SunTrust Bank	99,803.66
417	Custodial Account	SunTrust Bank	0.02
418	Custodial Account	SunTrust Bank	0.00
419	Custodial Account	Provident Bank	2,203.15
420	Custodial Account	SunTrust Bank	5,170.86
421	Custodial Account	SunTrust Bank	3,369.23
422	Custodial Account	SunTrust Bank	22,600.86
425	Custodial Account	Provident Bank	189.02
426	Custodial Account	SunTrust Bank	19,989.11
428	Custodial Account	SunTrust Bank	4,179.71
429	Custodial Account	SunTrust Bank	0.00
430	Custodial Account	JP Morgan Chase	0.00
431	Custodial Account	JP Morgan Chase	706.21
432	Custodial Account	SunTrust Bank	0.00
433	Custodial Account	JP Morgan Chase	0.00
434	Custodial Account	Southside Bank	0.00
435	Custodial Account	SunTrust Bank	41,748.42
436	Custodial Account	SunTrust Bank	0.00
437	Custodial Account	SunTrust Bank	8,417.45
438	Custodial Account	SunTrust Bank	0.00
439	Custodial Account	SunTrust Bank	0.00
442	Custodial Account	SunTrust Bank	0.00

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
444	Custodial Account	SunTrust Bank	626,458.12
445	Custodial Account	SunTrust Bank	1,247.86
446	Custodial Account	Provident Bank	679.78
447	Custodial Account	Provident Bank	0.00
448	Custodial Account	SunTrust Bank	28,632.14
449	Custodial Account	SunTrust Bank	5,150.83
450	Custodial Account	SunTrust Bank	0.00
453	Custodial Account	SunTrust Bank	0.00
454	Custodial Account	SunTrust Bank	2,711.52
455	Custodial Account	SunTrust Bank	0.00
457	Custodial Account	SunTrust Bank	0.00
458	Custodial Account	SunTrust Bank	1,022.26
459	Custodial Account	SunTrust Bank	0.00
461	Custodial Account	JP Morgan Chase	22,736.42
462	Custodial Account	SunTrust Bank	0.00
463	Custodial Account	SunTrust Bank	14,176.67
464	Custodial Account	JP Morgan Chase	22,673.45
467	Custodial Account	SunTrust Bank	563.66
470	Custodial Account	SunTrust Bank	0.00
473	Custodial Account	SunTrust Bank	0.00
474	Custodial Account	SunTrust Bank	472.96
475	Custodial Account	SunTrust Bank	0.00
476	Custodial Account	SunTrust Bank	283,046.29
477	Custodial Account	SunTrust Bank	0.00

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
478	Custodial Account	SunTrust Bank	1,206.86
480	Custodial Account	SunTrust Bank	0.00
481	Custodial Account	SunTrust Bank	0.00
484	Custodial Account	SunTrust Bank	0.00
486	Custodial Account	SunTrust Bank	13,846.43
487	Custodial Account	SunTrust Bank	0.00
488	Custodial Account	SunTrust Bank	0.00
489	Custodial Account	SunTrust Bank	0.00
490	Custodial Account	HSBC	(822.14)
491	Custodial Account	JP Morgan Chase	10,314,356.88
492	Custodial Account	SunTrust Bank	4,418.74
493	Custodial Account	SunTrust Bank	1,057.62
495	Custodial Account	SunTrust Bank	0.00
500	Custodial Account	Provident Bank	324,895.70
521	Custodial Account	SunTrust Bank	0.00
525	Custodial Account	SunTrust Bank	0.00
540	Custodial Account	SunTrust Bank	0.00
549	Custodial Account	JP Morgan Chase	41,368.27
550	Custodial Account	JP Morgan Chase	19,436,087.30
570	Custodial Account	SunTrust Bank	2,551.61
572	Custodial Account	SunTrust Bank	0.00
575	Custodial Account	SunTrust Bank	0.00
583	Custodial Account	SunTrust Bank	0.00
590	Custodial Account	SunTrust Bank	0.00

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
593	Custodial Account	SunTrust Bank	0.00
610	Custodial Account	SunTrust Bank	12,913.73
611	Custodial Account	SunTrust Bank	430.79
640	Custodial Account	JP Morgan Chase	120.56
640	Custodial Account	Guaranty Bank	15,471,749.14
641	Custodial Account	JP Morgan Chase	0.00
641	Custodial Account	Guaranty Bank	6,475,301.94
650	Custodial Account	SunTrust Bank	3,072.38
651	Custodial Account	SunTrust Bank	645.13
660	Custodial Account	SunTrust Bank	4,000,899.98
661	Custodial Account	SunTrust Bank	199,187.62
709	Custodial Account	SunTrust Bank	19,905.17
748	Custodial Account	JP Morgan Chase	0.00
800	Custodial Account	SunTrust Bank	6,590.71
801	Custodial Account	SunTrust Bank	1,137.92
850	Custodial Account	SunTrust Bank	0.00
851	Custodial Account	SunTrust Bank	38,120.85
852	Custodial Account	SunTrust Bank	35,415.14
853	Custodial Account	SunTrust Bank	108,110.59
854	Custodial Account	SunTrust Bank	50,878.55
855	Custodial Account	SunTrust Bank	6,876.91
856	Custodial Account	SunTrust Bank	49,266.38
857	Custodial Account	SunTrust Bank	3,597.30
858	Custodial Account	SunTrust Bank	0.00

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
859	Custodial Account	SunTrust Bank	0.00
860	Custodial Account	SunTrust Bank	7,836.77
861	Custodial Account	SunTrust Bank	47,297.36
862	Custodial Account	SunTrust Bank	4,713.92
863	Custodial Account	SunTrust Bank	73,658.74
899	Custodial Account	SunTrust Bank	3,297.40
125-139	Escrow Account	Provident Bank	320,187.87
S10	Escrow Account	SunTrust Bank	526,444.27
S11	Escrow Account	SunTrust Bank	18,397.60
S14-S16	Escrow Account	SunTrust Bank	3,054.62
100-115	Escrow Account	Carolina First Bank	429,367.91
100-115	Escrow Account	Carolina First Bank	395,452.14
160-166	Escrow Account	SunTrust Bank	77,926.98
175	Escrow Account	SunTrust Bank	2,471.22
176	Escrow Account	SunTrust Bank	598.47
178	Escrow Account	SunTrust Bank	734.24
179	Escrow Account	SunTrust Bank	0.00
180	Escrow Account	SunTrust Bank	5,974.66
183	Escrow Account	SunTrust Bank	57,925.33
184	Escrow Account	SunTrust Bank	8,554.51
185	Escrow Account	SunTrust Bank	271,303.71
186	Escrow Account	SunTrust Bank	179,906.11
187	Escrow Account	SunTrust Bank	28,627.18
190	Escrow Account	SunTrust Bank	0.00

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
201	Escrow Account	SunTrust Bank	0.00
202	Escrow Account	SunTrust Bank	113,692.09
203	Escrow Account	SunTrust Bank	0.26
207	Escrow Account	SunTrust Bank	0.00
208	Escrow Account	SunTrust Bank	4,984.65
209	Escrow Account	SunTrust Bank	3,920.92
211	Escrow Account	SunTrust Bank	0.00
215	Escrow Account	Hudson Valley Bank	452,681.90
216	Escrow Account	JP Morgan Chase	0.00
218	Escrow Account	SunTrust Bank	277,364.71
220	Escrow Account	SunTrust Bank	39,316.55
221	Escrow Account	SunTrust Bank	2,837.92
223	Escrow Account	SunTrust Bank	65,311.71
225	Escrow Account	SunTrust Bank	45.28
227	Escrow Account	SunTrust Bank	0.00
228	Escrow Account	SunTrust Bank	26,848.83
241	Escrow Account	SunTrust Bank	5,558.48
244	Escrow Account	SunTrust Bank	315.57
245	Escrow Account	SunTrust Bank	38,326.58
248	Escrow Account	HSBC	0.00
252	Escrow Account	SunTrust Bank	0.00
260	Escrow Account	SunTrust Bank	18,700.54
263	Escrow Account	Unity Bank	514,157.15
268	Escrow Account	SunTrust Bank	0.00

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
269	Escrow Account	SunTrust Bank	0.00
272	Escrow Account	SunTrust Bank	74,042.45
276	Escrow Account	SunTrust Bank	19,218.59
280	Escrow Account	Regent Bank	63,218.65
282	Escrow Account	SunTrust Bank	4,880.41
284	Escrow Account	SunTrust Bank	5,134.60
286	Escrow Account	SunTrust Bank	0.00
288	Escrow Account	SunTrust Bank	0.00
291	Escrow Account	Hudson Valley Bank	26,210.77
293	Escrow Account	SunTrust Bank	11,421.78
294	Escrow Account	SunTrust Bank	180,600.50
295	Escrow Account	SunTrust Bank	40,007.04
298	Escrow Account	SunTrust Bank	63,147.17
300	Escrow Account	SunTrust Bank	0.00
304	Escrow Account	Southside Bank	757,821.98
305	Escrow Account	SunTrust Bank	410,567.61
309	Escrow Account	SunTrust Bank	0.00
312	Escrow Account	SunTrust Bank	25,927.96
313	Escrow Account	SunTrust Bank	210,014.46
314	Escrow Account	SunTrust Bank	1,442.89
315	Escrow Account	SunTrust Bank	0.00
318	Escrow Account	SunTrust Bank	0.00
320	Escrow Account	SunTrust Bank	758.22
321	Escrow Account	SunTrust Bank	803.27

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
323	Escrow Account	SunTrust Bank	880.96
328	Escrow Account	SunTrust Bank	0.00
330	Escrow Account	HSBC	9,823.99
331	Escrow Account	Citizens Trust Bank	169,641.92
333	Escrow Account	SunTrust Bank	5,473.46
334	Escrow Account	Citizens Trust Bank	21,700.71
335	Escrow Account	Citizens Trust Bank	52,198.90
336	Escrow Account	SunTrust Bank	0.00
337	Escrow Account	SunTrust Bank	0.00
338	Escrow Account	SunTrust Bank	5,460.01
339	Escrow Account	SunTrust Bank	0.00
340	Escrow Account	SunTrust Bank	0.00
341	Escrow Account	SunTrust Bank	0.00
342	Escrow Account	SunTrust Bank	36,122.36
344	Escrow Account	SunTrust Bank	0.00
348	Escrow Account	SunTrust Bank	0.00
350	Escrow Account	SunTrust Bank	11,510.52
353	Escrow Account	SunTrust Bank	6,024.77
355	Escrow Account	SunTrust Bank	3,333.84
358	Escrow Account	SunTrust Bank	2,107.24
362	Escrow Account	SunTrust Bank	4,285.37
364	Escrow Account	SunTrust Bank	101.72
365	Escrow Account	SunTrust Bank	740,877.18
366	Escrow Account	JP Morgan Chase	403,774.50

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
368	Escrow Account	SunTrust Bank	0.00
369	Escrow Account	SunTrust Bank	0.00
370	Escrow Account	SunTrust Bank	75,174.78
372	Escrow Account	SunTrust Bank	15,102.45
376	Escrow Account	SunTrust Bank	0.00
380	Escrow Account	SunTrust Bank	0.00
381	Escrow Account	SunTrust Bank	0.00
382	Escrow Account	SunTrust Bank	812.51
384	Escrow Account	SunTrust Bank	29,691.66
385	Escrow Account	SunTrust Bank	15,602.82
386	Escrow Account	SunTrust Bank	14,120.67
387	Escrow Account	SunTrust Bank	31,191.41
388	Escrow Account	SunTrust Bank	0.00
392	Escrow Account	SunTrust Bank	0.00
393	Escrow Account	SunTrust Bank	61,411.82
394	Escrow Account	SunTrust Bank	0.00
396	Escrow Account	SunTrust Bank	157,160.23
401	Escrow Account	SunTrust Bank	0.00
402	Escrow Account	Provident Bank	218.64
403	Escrow Account	SunTrust Bank	281,061.84
404	Escrow Account	SunTrust Bank	0.00
405	Escrow Account	SunTrust Bank	0.00
406	Escrow Account	SunTrust Bank	7,725.60
407	Escrow Account	SunTrust Bank	25,830.61

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
408	Escrow Account	SunTrust Bank	362,433.44
409	Escrow Account	Provident Bank	33,635.43
410	Escrow Account	SunTrust Bank	1,306.98
411	Escrow Account	SunTrust Bank	46,446.79
412	Escrow Account	Citizens Trust Bank	19,575.06
413	Escrow Account	SunTrust Bank	82,311.55
414	Escrow Account	Provident Bank	34,797.92
415	Escrow Account	SunTrust Bank	30,199.81
416	Escrow Account	SunTrust Bank	341,908.67
417	Escrow Account	SunTrust Bank	3,464.12
418	Escrow Account	SunTrust Bank	4,848.72
419	Escrow Account	SunTrust Bank	0.00
420	Escrow Account	SunTrust Bank	149,826.04
421	Escrow Account	SunTrust Bank	406,120.77
422	Escrow Account	SunTrust Bank	1,915,588.00
425	Escrow Account	Provident Bank	501,572.80
426	Escrow Account	SunTrust Bank	142,676.71
428	Escrow Account	SunTrust Bank	41,773.02
429	Escrow Account	SunTrust Bank	0.00
430	Escrow Account	JP Morgan Chase	14,620,903.90
431	Escrow Account	JP Morgan Chase	13,970.54
432	Escrow Account	SunTrust Bank	23,011.60
433	Escrow Account	JP Morgan Chase	2,614.59
434	Escrow Account	Southside Bank	1,527.36

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
435	Escrow Account	SunTrust Bank	62,932.70
436	Escrow Account	SunTrust Bank	0.00
437	Escrow Account	SunTrust Bank	65,891.55
438	Escrow Account	SunTrust Bank	9,738.46
439	Escrow Account	SunTrust Bank	0.00
442	Escrow Account	SunTrust Bank	0.00
444	Escrow Account	SunTrust Bank	350,166.09
445	Escrow Account	SunTrust Bank	58,095.43
446	Escrow Account	Provident Bank	978.30
447	Escrow Account	Provident Bank	13,644.95
448	Escrow Account	SunTrust Bank	301,894.35
449	Escrow Account	SunTrust Bank	33,068.72
450	Escrow Account	SunTrust Bank	0.00
453	Escrow Account	SunTrust Bank	14,768.65
454	Escrow Account	SunTrust Bank	6,031.65
455	Escrow Account	SunTrust Bank	55,907.20
457	Escrow Account	SunTrust Bank	25,826.27
458	Escrow Account	SunTrust Bank	50,551.78
459	Escrow Account	SunTrust Bank	9,247.95
461	Escrow Account	JP Morgan Chase	23,121.24
462	Escrow Account	Citizens Trust Bank	48,386.25
463	Escrow Account	SunTrust Bank	29,800.28
464	Escrow Account	JP Morgan Chase	14,809.40
467	Escrow Account	SunTrust Bank	593.42

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
470	Escrow Account	SunTrust Bank	3,448.10
473	Escrow Account	SunTrust Bank	201.39
474	Escrow Account	SunTrust Bank	2,468.51
475	Escrow Account	SunTrust Bank	2,531.88
476	Escrow Account	SunTrust Bank	283,310.23
477	Escrow Account	SunTrust Bank	0.00
478	Escrow Account	SunTrust Bank	0.00
480	Escrow Account	SunTrust Bank	2,001.39
481	Escrow Account	SunTrust Bank	0.00
484	Escrow Account	SunTrust Bank	20,731.09
486	Escrow Account	SunTrust Bank	1,147.22
487	Escrow Account	SunTrust Bank	0.00
488	Escrow Account	SunTrust Bank	0.00
489	Escrow Account	SunTrust Bank	53,930.46
490	Escrow Account	HSBC	69,028.53
491	Escrow Account	JP Morgan Chase	12,183,822.21
492	Escrow Account	SunTrust Bank	38,992.14
493	Escrow Account	SunTrust Bank	733.02
495	Escrow Account	SunTrust Bank	0.00
500	Escrow Account	Provident Bank	301,955.80
521	Escrow Account	SunTrust Bank	0.00
525	Escrow Account	SunTrust Bank	0.00
540	Escrow Account	SunTrust Bank	0.00
549	Escrow Account	JP Morgan Chase	57,837.67

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
550	Escrow Account	JP Morgan Chase	23,112,360.59
565	Escrow Account	SunTrust Bank	0.00
570	Escrow Account	SunTrust Bank	0.00
572	Escrow Account	SunTrust Bank	0.00
573	Escrow Account	SunTrust Bank	0.00
575	Escrow Account	SunTrust Bank	0.00
583	Escrow Account	SunTrust Bank	0.00
590	Escrow Account	SunTrust Bank	0.00
593	Escrow Account	SunTrust Bank	0.00
610	Escrow Account	SunTrust Bank	77,264.12
611	Escrow Account	SunTrust Bank	7,506.63
640	Escrow Account	JP Morgan Chase	0.00
640	Escrow Account	Guaranty Bank	5,697,376.63
641	Escrow Account	JP Morgan Chase	0.00
641	Escrow Account	Guaranty Bank	2,047,290.31
650	Escrow Account	SunTrust Bank	28,119.77
651	Escrow Account	SunTrust Bank	14,813.44
660	Escrow Account	SunTrust Bank	779,006.01
661	Escrow Account	SunTrust Bank	22,950.07
709	Escrow Account	SunTrust Bank	32.95
748	Escrow Account	JP Morgan Chase	0.00
800	Escrow Account	SunTrust Bank	266,302.65
801	Escrow Account	SunTrust Bank	589.98
850	Escrow Account	SunTrust Bank	0.00

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
851	Escrow Account	SunTrust Bank	10,810.11
852	Escrow Account	SunTrust Bank	30,549.61
853	Escrow Account	SunTrust Bank	52,057.24
854	Escrow Account	SunTrust Bank	50,381.97
855	Escrow Account	SunTrust Bank	3,339.89
856	Escrow Account	SunTrust Bank	0.00
857	Escrow Account	SunTrust Bank	4,113.90
858	Escrow Account	SunTrust Bank	0.00
859	Escrow Account	SunTrust Bank	0.00
860	Escrow Account	SunTrust Bank	241,235.77
861	Escrow Account	SunTrust Bank	15,234.81
862	Escrow Account	SunTrust Bank	318.57
863	Escrow Account	SunTrust Bank	84,645.59
General Servicing Clearing Account	Payment Clearing Account	Southside Bank	274,008.01
General Servicing Clearing Account	Payment Clearing Account	Green Bank	26,047.98
General Servicing Clearing Account	Payment Clearing Account	Access National Bank	10,446.99
General Servicing Clearing Account	Payment Clearing Account	Idaho Banking Co.	8,839.73
General Servicing Clearing Account	Payment Clearing Account	Hudson Valley Bank	17,259.93
General Servicing Clearing Account	Payment Clearing Account	Hudson Valley Bank	0.00
General Servicing Clearing Account	Payment Clearing Account	Hudson United Bank	74,569.26
General Servicing Clearing Account	Payment Clearing Account	Carolina First Bank	32,440.39
General Servicing Clearing Account	Clearing Account	SunTrust Bank	62,661.16
General Servicing Clearing Account	Insurance Account	SunTrust Bank	3,075.97

<b>Investor #</b>	<b>Type of Account</b>	<b>Name of Depository</b>	<b>Balance as of 01/31/2009 (\$)</b>
General Servicing Clearing Account	Insurance Account	SunTrust Bank	494.20
General Servicing Clearing Account	Payment Clearing Account	SunTrust Bank	1,085,250.48
General Servicing Clearing Account	Clearing Account	SunTrust Bank	1,031,579.31
General Servicing Clearing Account	Escrow Account	SunTrust Bank	969,925.08
General Servicing Clearing Account	Clearing Account	SunTrust Bank	31,838.48
General Servicing Clearing Account	Payment Clearing Account	SunTrust Bank	519,847.81
427	Custodial Account	SunTrust Bank	4,529.13
427	Escrow Account	SunTrust Bank	33,566.15
General Servicing Clearing Account	Clearing Account	SunTrust Bank	17,839.25
226	Custodial Account	SunTrust Bank	0.00
230	Custodial Account	SunTrust Bank	9,088.50
252	Custodial Account	SunTrust Bank	0.00
General Servicing Clearing Account	Clearing Account	SunTrust Bank	3,850.32
General Servicing Clearing Account	Clearing Account	SunTrust Bank	14,650.47

**Schedule 4.4 – Consents and Approvals**

**None.**

4759223.8

**Schedule 4.6 – Brokers**

**None.**

**Schedule 5.8 – Employee Benefit Plans**

- 401(k) Plan
- Annual Flu Shots
- COBRA
- Dental Coverage: Delta Dental
- Employee Assistance Program
- Family & Medical Leave
- Flexible Spending Account
- Health Coverage: Anthem BCBS EPO & PPO
- HR Self-Service Site
- Incentive Plans
- Life Insurance – Company Provided
- Life Insurance – Optional
  - Accidental Death & Dismemberment
  - Supplemental Life Insurance
- Long-Term Care
- Long-Term Disability
- Paid Time Off
- Prescription Drug: Caremark
- Short-Term Disability
- Vision Service Plan
- Workers' Compensation

**Schedule 5.12(a) - InterCompany and Affiliate Contracts and Agreements**

1. License Agreement, dated as of April 6, 2006, by and between LoanCare Servicing Center, Inc. and MSTD, Inc. (BITB), a division of LandAmerica OneStop, Inc.
2. Tax Service Agreement, dated as of April 28, 2005, by and between LoanCare Servicing Center, Inc. and LandAmerica Tax and Flood, a division of LandAmerica OneStop, Inc.
3. License Agreement, dated June 5, 2008, by and between LoanCare Servicing Center, Inc. and LandAmerica OneStop, Inc.
4. Intra-Corporate Subservicing Agreement, dated as of February 15, 2008, by and between LoanCare Servicing Center, Inc. and LandAmerica Financial Group, Inc.

**Schedule 6.7 – Vendor Relationships**

<b>Vendor</b>	<b>Agreement</b>
1. LandAmerica Credit Services	Credit Reporting Subscriber Agreement
2. LandAmerica Default Services*	Service Agreement

\*NOTE: Divisions of LandAmerica OneStop, Inc..

## ESCROW AGREEMENT

Escrow Agreement dated as of the effective date (the “Effective Date”) set forth on schedule 1 attached hereto (“Schedule 1”) by and among the purchaser identified on Schedule 1 (the “Purchaser”), the seller identified on Schedule 1 (the “Seller”) and CSC Trust Company of Delaware, as escrow agent hereunder (the “Escrow Agent”). Capitalized terms used herein without definition shall have the meanings ascribed to them in the Purchase Agreement (as defined below).

**WHEREAS**, the Purchaser and the Seller have entered into that certain Stock Purchase Agreement, dated as of the Effective Date (as the same may hereafter be amended, the “Purchase Agreement”), a copy of which has been provided to the Escrow Agent, pursuant to which the Purchaser shall purchase from the Seller 100% of the issued and outstanding capital stock of each of LoanCare Servicing Center, Inc. and LC Insurance Agency, Inc.

**WHEREAS**, pursuant to Section 2.2(b) of the Purchase Agreement, the Purchaser and the Seller have agreed to deposit in escrow certain funds and wish such deposit to be subject to the terms and conditions set forth herein.

**NOW THEREFORE**, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **Appointment.** The Purchaser and Seller hereby appoint the Escrow Agent as their escrow agent for the purposes set forth herein, and the Escrow Agent hereby accepts such appointment under the terms and conditions set forth herein.
2. **Escrow Fund.** Simultaneous with the execution and delivery of this Escrow Agreement, the Purchaser is depositing with the Escrow Agent the sum indicated as the escrow deposit on Schedule 1 (the “Escrow Deposit”). The Escrow Agent shall hold the Escrow Deposit and, subject to the terms and conditions hereof, shall invest and reinvest the Escrow Deposit and the proceeds thereof (the “Escrow Fund”) as directed in Section 3.
3. **Investment of Escrow Fund.** During the term of this Escrow Agreement, the Escrow Fund shall be invested and reinvested by the Escrow Agent in the investment indicated on Schedule 1 or such other investments as shall be directed in writing by the Purchaser and the Seller and as shall be acceptable to the Escrow Agent. All investment orders involving U.S. Treasury obligations, commercial paper and other direct investments may be executed through broker-dealers selected by the Escrow Agent. Periodic statements will be provided to Purchaser and Seller reflecting transactions executed on behalf of the Escrow Fund. The Purchaser and Seller, upon written request, will receive a statement of transaction details upon completion of any securities transaction in the Escrow Fund without any additional cost. The Escrow Agent shall have the right to liquidate any investments held in order to provide funds necessary to make required payments under this Escrow Agreement. The Escrow Agent shall have no liability for any loss sustained as a result of any investment in an investment indicated on Schedule 1 or any investment made pursuant to the instructions of the parties hereto or as a result of any liquidation

of any investment prior to its maturity or for the failure of the parties to give the Escrow Agent instructions to invest or reinvest the Escrow Fund. The Escrow Agent may earn compensation in the form of short-term interest (“float”) on items like uncashed distribution checks (from the date issued until the date cashed), funds that we are directed not to invest, deposits awaiting investment direction or received too late to be invested overnight in previously directed investments.

4. **Disposition and Termination.** The Escrow Agent shall deliver the Escrow Fund in accordance with the following:

(a) Subject to Section 4(d), the Escrow Fund shall be distributed to the Seller upon receipt by the Escrow Agent of a written instruction from the Seller, which shall include the Seller’s payment instructions (a “Seller Claim Notice”), which Seller Claim Notice also shall have been delivered to the Purchaser, stating that:

(i) the Purchase Agreement has been terminated pursuant to (A) Section 8.1(c), solely as a result of the Purchaser’s failure to satisfy any of the conditions to Closing in accordance with Sections 7.1 or 7.2 of the Purchase Agreement on or prior to the Outside Date, or (B) Section 8.1(h) of the Purchase Agreement; or

(ii) the Closing has occurred in accordance with the Purchase Agreement.

(b) Subject to Section 4(d), the Escrow Fund shall be distributed to the Purchaser upon receipt by the Escrow Agent of a written instruction from the Purchaser, which shall include the Purchaser’s payment instructions (a “Purchaser Claim Notice” and together with a Seller Claim Notice, a “Claim Notice”), which Purchaser Claim Notice also shall have been delivered to the Seller, stating that the Purchase Agreement has been terminated prior to Closing other than in accordance with the provisions of the Purchase Agreement set forth in Section 4(a)(i) above.

(c) Upon receipt of a Claim Notice, the Escrow Agent shall provide, to the Seller in the case of a Purchaser’s Claim Notice or to the Purchaser in the case of a Seller’s Claim Notice, notice of receipt of such Claim Notice along with a copy thereof (a “Receipt Notice”). Unless the Escrow Agent receives within five (5) Business Days following the date of its delivery of a Receipt Notice (the “Claim Notice Period”), a written notice objecting to any such claim stating that distribution of the Escrow Fund is subject to dispute and signed by the Purchaser or the Seller, as applicable (an “Objection Notice”), distribute to the Seller and/or the Purchaser, as applicable, pursuant to Section 4(a) or (b) hereof, as applicable, the Escrow Fund as instructed in the applicable Claim Notice. In the event of an Objection Notice, the Purchaser and the Seller shall use commercially reasonable efforts to resolve promptly any disputed claims.

(d) If the Escrow Agent receives an Objection Notice within such Claim Notice Period, the Escrow Agent shall:

(i) hold the Escrow Fund in reserve and not make payment thereof until the Purchaser and the Seller have agreed in writing upon the terms of the Claim Notice and

have forwarded joint written instructions to the Escrow Agent authorizing the release of the Escrow Fund; or

(ii) in the event the Purchaser and the Seller are unable to resolve any such dispute, the Escrow Agent shall continue to hold the Escrow Fund and the Purchaser and the Seller shall have such remedies as may be available to them at law or in equity.

(e) Notwithstanding any of the foregoing provisions of this Section 4, the Escrow Agent shall deliver or distribute all or any portion of the Escrow Fund in accordance with (1) any written notice executed and delivered by the Purchaser and the Seller or (2) the final order of any court of competent jurisdiction which is no longer subject to appeal.

(f) Upon the final distribution of the Escrow Fund in accordance with the terms of this Agreement, this Agreement shall terminate.

5. **Escrow Agent.** The Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Escrow Agreement. The Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document. The Escrow Agent shall have no duty to solicit any payments which may be due it or the Escrow Fund. The Escrow Agent shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the primary cause of any loss to the Purchaser or Seller. The Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through agents or attorneys (and shall be liable only for the careful selection of any such agent or attorney) and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Escrow Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any party hereto which, in its opinion, conflict with any of the provisions of this Escrow Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other parties hereto or by a final order or judgment of a court of competent jurisdiction. Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

6. **Succession.** Subject to locating a replacement escrow agent satisfactory to Purchaser and Seller, the Escrow Agent may resign and be discharged from its duties or obligations hereunder by giving 30 days advance notice in writing of such resignation to the other parties hereto specifying a date when such resignation shall take effect. The Escrow Agent may petition a

court of competent jurisdiction to appoint a replacement escrow agent. The Escrow Agent shall have the right to withhold an amount equal to any amount due and owing to the Escrow Agent, plus any costs and expenses the Escrow Agent shall reasonably believe may be incurred by the Escrow Agent in connection with the termination of the Escrow Agreement. Any corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated shall be the Escrow Agent under this Escrow Agreement without further act.

7. **Fees.** The Purchaser and Seller agree to (i) each pay the Escrow Agent upon execution of this Escrow Agreement one-half of the compensation for the services to be rendered hereunder as set forth in Schedule 1 attached hereto, and (ii) each pay or reimburse the Escrow Agent upon request for one-half of all reasonable and documented expenses, disbursements and advances, including reasonable and documented attorney's fees and expenses, incurred or made by it in connection with the preparation, execution, performance, delivery, modification and termination of this Escrow Agreement.

8. **Indemnity.** The Purchaser and the Seller shall, severally, but not jointly, equally indemnify, defend and save harmless the Escrow Agent and its directors, officers, agents and employees (the "indemnitees") from all loss, liability or expense (including the fees and expenses of in house or outside counsel) arising out of or in connection with (i) the Escrow Agent's execution and performance of this Escrow Agreement, except in the case of any indemnitee to the extent that such loss, liability or expense is due to the gross negligence or willful misconduct of such indemnitee, or (ii) its following any instructions or other directions from the Purchaser or the Seller, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof. The parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of the Escrow Agent or the termination of this Escrow Agreement. The parties hereby grant the Escrow Agent a lien on, right of set-off against and security interest in the Escrow Fund for the payment of any claim for indemnification, compensation, expenses and amounts due hereunder.

9. **TINs.** The Purchaser and the Seller each represent that its correct Taxpayer Identification Number ("TIN") assigned by the Internal Revenue Service or any other taxing authority is set forth in Schedule 1. All interest or other income earned under the Escrow Agreement shall be allocated and/or paid as directed in a joint written direction of the Purchaser and the Seller and reported by the recipient to the Internal Revenue Service or any other taxing authority. Notwithstanding such written directions, Escrow Agent shall report and, as required withhold any taxes as it determines may be required by any law or regulation in effect at the time of the distribution. In the absence of timely direction, all proceeds of the Escrow Fund shall be retained in the Escrow Fund and reinvested from time to time by the Escrow Agent as provided in Section 3. In the event that any earnings remain undistributed at the end of any calendar year, Escrow Agent shall report to the Internal Revenue Service or such other authority such earnings as it deems appropriate or as required by any applicable law or regulation or, to the extent consistent therewith, as directed in writing by the Purchaser and the Seller. In addition, Escrow Agent shall withhold any taxes it deems appropriate and shall remit such taxes to the appropriate authorities.

10. **Notices.** All communications hereunder shall be in writing and shall be deemed to be duly given and received:

- (a) upon delivery if delivered personally or upon confirmed transmittal if by facsimile;
- (b) on the next Business Day (as hereinafter defined) if sent by overnight courier; or
- (c) four (4) Business Days after mailing if mailed by prepaid registered mail, return receipt requested, to the appropriate notice address set forth on Schedule 1 or at such other address as any party hereto may have furnished to the other parties in writing by registered mail, return receipt requested.

Notwithstanding the above, in the case of communications delivered to the Escrow Agent pursuant to (a) and (c) of this Section 10, such communications shall be deemed to have been given on the date received by the Escrow Agent. In the event that the Escrow Agent, in its sole discretion, shall determine that an emergency exists, the Escrow Agent may use such other means of communication as the Escrow Agent deems appropriate. "Business Day" shall mean any day other than a Saturday, Sunday or any other day on which the Escrow Agent located at the notice address set forth on Schedule 1 is authorized or required by law or executive order to remain closed.

11. **Security Procedures.** In the event funds transfer instructions are given (other than in writing at the time of execution of this Escrow Agreement), whether in writing, by telecopier or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the person or persons designated on schedule 2 hereto ("Schedule 2"), and the Escrow Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for call-backs may be changed only in a writing actually received and acknowledged by the Escrow Agent. The Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Purchaser or the Seller to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The parties to this Escrow Agreement acknowledge that these security procedures are commercially reasonable.

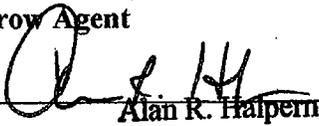
12. **Miscellaneous.** The provisions of this Escrow Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the parties hereto. Neither this Escrow Agreement nor any right or interest hereunder may be assigned in whole or in part by any party, except as provided in Section 6, without the prior consent of the other parties. This Escrow Agreement shall be governed by and construed under the laws of the State of Delaware. Each party hereto irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts located in the State of Delaware. The parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Escrow Agreement. No party to this Escrow Agreement is liable to any other party for losses due to, or

if it is unable to perform its obligations under the terms of this Escrow Agreement because of, acts of God, fire, floods, strikes, equipment or transmission failure, or other causes reasonably beyond its control. This Escrow Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature page follows]

**IN WITNESS WHEREOF**, the parties hereto have executed this Escrow Agreement as of the date set forth in Schedule 1.

**CSC Trust Company of Delaware  
as Escrow Agent**

By:  \_\_\_\_\_  
**Alan R. Halpern  
Vice President**

**PURCHASER**

By: \_\_\_\_\_

**SELLER**

By: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties hereto have executed this Escrow Agreement as of the date set forth in Schedule 1.

**CSC Trust Company of Delaware  
as Escrow Agent**

By: \_\_\_\_\_

**PURCHASER**

By: Ben J. Voss

**SELLER**

By: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties hereto have executed this Escrow Agreement as of the date set forth in Schedule 1.

**CSC Trust Company of Delaware  
as Escrow Agent**

By: \_\_\_\_\_

**PURCHASER**

By: \_\_\_\_\_

**SELLER**

By: G. William Evans  
G. William Evans, Executive Vice President

**Schedule 1**

**Effective Date:** March 13, 2009

**Name of Seller:** LandAmerica Financial Group, Inc.  
**Seller Notice Address:** 5600 Cox Road  
Glen Allen, VA 23060  
Facsimile: (804) 267-8830  
**Seller TIN:** 54-1589611

**Name of Purchaser:** Alpine Equity Partners, L.P.  
**Purchaser Notice Address:** c/o Pine Creek Partners  
1055 Thomas Jefferson Street, NW, Suite 650  
Washington, D.C. 20007  
**Purchaser TIN:** 55-0875144

**Escrow Agent Fees:**

**\$500.00 - set up fee payable in advance of the closing of the transaction**

**\$2,500.00 – escrow agent fee payable in advance of the closing of the transaction  
and upon each subsequent annual anniversary date.**

Escrow Deposit: \$200,000

**Investment:** [select one]

BlackRock Temp Fund Cash Management Class (the “Share Class”), an institutional money market mutual fund for which the Escrow Agent serves as shareholder servicing agent and/or custodian or subcustodian. The parties hereto: (i) acknowledge Escrow Agent’s disclosure of the services CSC is providing to and the fees it receives from BlackRock; (ii) consent to the Escrow Agent’s receipt of these fees in return for providing shareholder services for the Share Class; and (iii) acknowledge that the Escrow Agent has provided on or before the date hereof a BlackRock Temp Fund Cash Management Class prospectus which discloses, among other things, the various expenses of the Share Class and the fees to be received by the Escrow Agent.

Such other investments as Purchaser, Seller and Escrow Agent may from time to time mutually agree upon in a writing executed and delivered by the Purchaser and the Seller and accepted by the Escrow Agent.

The Escrow Deposit shall remain uninvested.

**Schedule 2**

**Telephone Number(s) for Call-Backs and  
Person(s) Designated to Confirm Funds Transfer Instructions**

If to Purchaser:

<u>Name</u>	<u>Telephone Number</u>
1. <u>George McCabe</u>	<u>(202) 233-7784</u>
2. _____	_____
3. _____	_____

If to Seller:

<u>Name</u>	<u>Telephone Number</u>
1. <u>Michael Beverly</u>	<u>(804) 267-8183</u>
2. <u>Jeffrey Vaughan</u>	<u>(804) 267-8410</u>
3. _____	_____

Telephone call-backs shall be made to both Purchaser and Seller if joint instructions are required pursuant to this Escrow Agreement.

## TRANSITION SERVICES AGREEMENT

This Transition Services Agreement (this "Agreement") is made as of [\_\_\_\_], 2009 by and between LandAmerica Financial Group, Inc., a Virginia corporation (the "Seller"), on one hand, and LoanCare Servicing Center, Inc., a Virginia corporation and LC Insurance Agency, Inc., a Virginia corporation (collectively, the "Companies"), on the other hand.

### RECITALS

Pursuant to that certain Stock Purchase Agreement dated as of March 13, 2009 (the "Purchase Agreement"), by and among the Seller and Alpine Equity, L.P., a Delaware limited partnership ("Buyer"), the Seller has agreed to sell to the Buyer the Shares and the Purchased Assets, as provided in the Purchase Agreement.

From and after the Closing, the Companies are willing to acquire from the Seller and its Affiliates, and the Seller and its Affiliates are willing to provide to the Companies, certain mutually agreed services relating to the business of the Companies as more specifically set forth herein.

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual representations, warranties and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

#### ARTICLE 1 DEFINITIONS

1.1 Definitions. Each capitalized term used and not otherwise defined in this Agreement shall have the meaning ascribed to it in the Purchase Agreement.

#### ARTICLE 2 SERVICES; SERVICE FEES

2.1 Services. The Seller shall, directly or indirectly through one or more of its Affiliates or through third party service providers, provide to the Companies, as applicable, the services set forth on Schedule I attached hereto (the "Services"), pursuant to and in accordance with the terms and conditions of this Agreement. The Seller acknowledges that the Companies may from time to time request additional and/or other services be included within the Services. In the event that the Companies request additional and/or other services be included within the Services, the Companies and the Seller shall negotiate in good faith the term, cost and other terms and conditions upon which such services will be provided to the Companies. Nothing herein shall create any obligation on the part of the Seller to provide any additional services. Schedule I attached hereto shall be amended to set forth any such additional services and the terms and conditions thereof, in each case to the extent agreed upon by the Companies and the Seller pursuant to this Section 2.1(a).

2.2 Services Fees. Each Service provided pursuant to this Agreement shall be charged at the price set forth in the Schedule hereto relating to such Service (the "Service Fee").

2.3 Service Period. Each Service shall be provided for a period (the “Service Period”) commencing on the Closing Date and ending on the earliest of (i) the date the party receiving such Service terminates the provision of such Service pursuant to Section 4.2, (ii) the termination date specified with respect to such Service on the Schedule hereto relating to such Service, and (iii) the date on which such Service is terminated in accordance with Section 4.3.

2.4 Third Party Service Providers. The Companies understand that prior to the date of this Agreement, the Seller and its Affiliates may have subcontracted with third parties to provide certain services in connection with the Services to be provided hereunder. The Seller reserves the right to continue to subcontract with third parties to provide the Services or to enter into new subcontracting relationships for any Service; provided, however, that Seller shall be responsible for the performance of all Services in accordance with this Agreement.

2.5 Standard of Performance; Standard of Care. The providing party of any Service shall perform, or shall cause its Affiliates or third party Service providers to perform, such Service in a manner and at a level of usage consistent with that provided by or to the Companies, as the case may be, prior to the Closing Date.

2.6 Transitional Nature of Services; Changes. The parties acknowledge the transitional nature of the Services and that the providing party of any Service may, with written notice to the receiving party, make changes from time to time in the manner of performing such Service if it is making similar changes in performing similar services for its own Affiliates; provided that the quality and terms of the services shall not be adversely affected.

2.7 Consents. Notwithstanding any provision of this Agreement to the contrary, if the provision of any Service as contemplated by this Agreement requires the consent, approval or authorization of any third party, the providing party of such Service shall obtain as promptly as possible after the date of this Agreement such consent, approval or authorization (including obtaining from third party vendors all consents necessary to grant any sublicenses in connection with the performance of such Service). The costs of obtaining such third party consents, licenses, sublicenses or approvals shall be borne entirely by the party receiving the related Service, provided, however, that such party’s prior approval of any material payments by it to third parties for such consents, licenses, sublicenses or approvals shall be required (but shall not be unreasonably withheld or delayed). If the party providing a Service reasonably believes that it is unable to provide such Service because of a failure to obtain necessary consents, licenses, sublicenses or approvals, the parties shall cooperate to determine the best alternative approach; provided, however, that under no circumstances shall the performance of such Service require the party providing a Service or any of its directors (or Persons in similar positions), officers, employees or agents to violate any applicable laws, rules or regulations.

2.8 Cooperation. If (i) there is nonperformance of any Service as a result of a Force Majeure Event (as hereinafter defined) or (ii) the provision of a Service would violate any Law, the parties agree to work together in good faith to arrange for an alternative means by which the applicable party may obtain the Services so affected.

ARTICLE 3  
BILLING PROCEDURE

3.1 Procedure. Unless otherwise specified in the Schedule relating to any Services, the Service Fees in respect of any Service shall be invoiced on a monthly basis and will be payable by the receiving party of such Service within 30 days from the date of such invoice.

3.2 Late Payments. Service Fees not paid when due shall bear interest at the “prime” rate, as announced by The Wall Street Journal, Eastern Edition, from time to time to be in effect, calculated based on a 365 day year and the actual number of days elapsed.

ARTICLE 4  
TERMINATION

4.1 Termination Dates. Unless otherwise terminated pursuant to Section 4.2 or Section 4.3, or unless the parties have otherwise agreed in writing to an extension or shortening of the applicable Service Period, this Agreement will terminate with respect to each Service at the close of business on the last day of the Service Period for such Service. This Agreement will terminate immediately upon the end of the Service Period for all Services.

4.2 Early Termination of Services. The Companies or either of them may, at any time during the term of this Agreement, terminate the provision of any Service or any portion thereof upon ten (10) days’ prior written notice.

4.3 Termination Due to Breach. Upon the occurrence or during the continuance of a material breach of this Agreement by any party (the “breaching party”) or conduct by the breaching party that has caused a material breach or material default under any third party Service provider contract, the other party (the “non-breaching party”) may give written notice of such breach or conduct to the breaching party. If such breach or conduct remains uncured or continues for ten (10) days after delivery of such written notice, the non-breaching party may terminate the obligation to provide or purchase any Service related to such breach upon written notice to the breaching party.

4.4 Consequences of Termination. In the event that any Service is terminated for any reason other than the expiration of the term for such Service pursuant to Section 4.1, the Companies will be responsible to the Seller for the reasonable and documented out-of-pocket charges, fees and costs incurred by the Seller or its Affiliates in connection with the termination of such Service.

ARTICLE 5  
MISCELLANEOUS

5.1 Mutual Cooperation. The Seller and the Companies shall, and shall cause their respective Affiliates to, cooperate with each other in connection with the performance of the Services hereunder, including producing on a timely basis all information that is reasonably requested with respect to the performance of Services; provided, however, that such cooperation shall not unreasonably disrupt the normal operations of the Seller, the Companies or their respective Affiliates.

5.2 Force Majeure. In case performance of any terms or provisions hereof shall be delayed or prevented, in whole or in part, because of or related to compliance with any applicable Law, decree, request or order of any Governmental Entity, or because of riots, war, public disturbance, fire, explosion, storm, flood, acts of God, acts of terrorism, or for any other reason which is not within the control of the party whose performance is interfered with and which by the exercise of reasonable diligence such party is unable to prevent (each, a "Force Majeure Event"), then upon prompt written notice stating the date and extent of such interference and the cause thereof by the party so suffering to the other party, the party suffering shall be excused from its obligations hereunder during the period such Force Majeure Event continues, and no liability shall attach against either party on account thereof. No party shall be excused from performance if such party fails to use reasonable diligence to remedy the situation and remove the cause and effect of the Force Majeure Event. Notwithstanding the foregoing, in no event shall a party receiving Services hereunder be relieved of its payment obligations for Services delivered, regardless of cause.

5.3 Independent Contractors. Each party acknowledges that it has entered into this Agreement for independent business reasons. The relationship of the parties hereunder are those of independent contractors and nothing contained herein shall be deemed to create a joint venture, partnership or any other relationship. Neither the Seller nor the Companies shall have any power or authority to negotiate or conclude any agreement, or to make any representation or to give any understanding on behalf of the other in any way whatsoever.

5.4 Waiver and Amendments. No modification of or amendment to this Agreement or any Schedule hereto shall be valid unless set forth in an instrument in writing signed by the Seller and the Buyer. Any waiver of any term or condition of this Agreement or any Schedule hereto must be set forth in an instrument in writing signed by the waiving party and must refer specifically to the term or condition to be waived and to the circumstances of such waiver. No such waiver shall be deemed to constitute a waiver applicable either to other circumstances involving the same term or condition or to any other term or condition of this Agreement or any Schedule hereto. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, and no custom or practice of the parties at variance with the terms hereof, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

5.5 Entire Agreement. This Agreement, the Schedules hereto, the Purchase Agreement, and any other document or instrument executed and/or delivered by any party to the other party pursuant to this Agreement or any such other agreement or instrument set forth all of the promises, covenants, agreements, conditions and undertakings among the parties relating to the subject matter hereof and supersede all prior or contemporaneous agreements and understandings, negotiations, inducements or conditions, express or implied, oral or written of the parties with respect to the subject matter hereof.

5.6 Notices. All notices hereunder to be given to Seller shall be given as set forth in Section 9.3 of the Purchase Agreement. All notices hereunder to be given to the Companies shall be given as follows: Gene Ross, 3637 Sentara Way, Suite 303, Virginia Beach, VA 23452.

5.7 Severability. If any term or other provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced under any rule of Law in any particular respect or under any particular circumstances, such term or provision shall nevertheless remain in full force and effect in all other respects and under all other circumstances, and all other terms, conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

5.8 Governing Law. This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of New York without giving effect to the choice-of-law provisions thereof to the extent that the application of the laws of another jurisdiction would be required thereby. The Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes that may arise under this Agreement and in respect of the transactions contemplated hereby; provided, however, that in the event the Bankruptcy Court at any time declines to accept jurisdiction, each of the Parties hereby irrevocably (i) submits to the jurisdiction of the courts of the State of New York and the federal courts of the United States located in New York, New York regarding any such claim or dispute; (ii) agrees that all claims and disputes shall be heard and determined in such courts; (iii) waives, to the fullest extent permitted by applicable law, any objection that they may now or hereafter have to the venue of any such claim or dispute brought in such court or any defense of inconvenient forum for the maintenance of such claim or dispute; and (iv) agrees that a judgment in any claim or dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.

5.9 Counterparts. This Agreement may be executed by the parties in one or more counterparts or duplicate originals, each of which when so executed and delivered shall be deemed an original, but all of which together shall constitute one and the same instrument, and all signatures need not appear on any one counterpart. Any facsimile copies hereof or signature hereon shall, for all purposes, be deemed originals.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties hereto have caused this Transition Services Agreement to be executed as of the day and year first above written.

LANDAMERICA FINANCIAL GROUP, INC.

By: \_\_\_\_\_  
Name:  
Title:

LOANCARE SERVICING CENTER, INC.

By: \_\_\_\_\_  
Name:  
Title:

LC INSURANCE AGENCY, INC.

By: \_\_\_\_\_  
Name:  
Title:

## SCHEDULE I

### Services

<b>Business Unit of Seller</b>	<b>Description of Service</b>	<b>Service Period Termination Date</b>	<b>Service Fee</b>
Corporate Accounting, Financial Reporting and Regulatory Compliance	Corporate accounting and general ledger accounting services (General ledger, fixed asset, accounts payable and reporting tool applications), Payroll taxes, Treasury and Investment Management support, General and Regulatory Statutory Accounting services, Corporate Governance and Controls Advisory support.	June 30, 2009	\$15,000 / month
General ledger conversion	Assistance in mapping and converting accounting information (current & historical) to LoanCare general ledger application.	June 30, 2009	\$17,000 / month
Payroll Processing and Conversion Assistance	Continuation of payroll assistance, remittances and cooperation in conversion of historical data to LoanCare Ceridian application.	June 30, 2009	\$1,000 / month
Information Technology Services and Support	Corporate e-mail, software and licensing, hardware, internet access, LAN/WAN management, remote access (VPN/Citrix), websites, phones, Blackberry Enterprise Server and Active Synch support, security, patch management, disaster recovery, IT Policy & Procedures, IT SOX compliance and SOX software and field services support. Conversion support for the above listed items.	June 30, 2009	\$23,000 / month
Human Resources Support	Employee Benefits, Business Insurance, Payroll Processing, Time Tracking, Recruiting, Deferred Compensation Plan Administration, Insurance Claims Administrative support, EEOC Claims administration, Transfer of Personnel Files, Unemployment Claims administration, HR Legal support.	June 30, 2009	\$5,000 / month
Legal and Corporate Administration Support	Licensing, Consumer insurance licensing, Registered Agent changes, Regulatory Compliance support, Legal and Litigation support, Transfer of Original Corporate Legal documents.	June 30, 2009	\$15,000 / month
Operations Support and Vendor Conversion	Cash management, bank accounts and conversion for all shared vendor relationships.	June 30, 2009	\$1,000 / month
Freedom Mortgage Major Client Site to Site VPN	Migration of Major Client direct connection from SRC to LoanCare - Internet router configuration .	June 30, 2009	\$1,000 / month

Paul V. Shalhoub (Admitted *Pro Hac Vice*)  
Rachel C. Strickland (Admitted *Pro Hac Vice*)  
Jordana Linder (Admitted *Pro Hac Vice*)  
WILLKIE FARR & GALLAGHER LLP  
787 Seventh Avenue  
New York, New York 10019  
(212) 728-8000

- and -

Dion W. Hayes (VSB No. 34304)  
John H. Maddock III (VSB No. 410444)  
McGUIREWOODS LLP  
One James Center  
901 East Cary Street  
Richmond, Virginia 23219-4030  
(804) 775-1000

Attorneys for the Debtors and  
Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA

RICHMOND DIVISION

-----X  
In re : Chapter 11  
:  
LandAmerica Financial Group, Inc., et al. : Case No. 08-35994 (KRH)  
:  
Debtors. : (Jointly Administered)  
-----X

**ORDER (A) APPROVING: (I) SALE OF DEBTOR'S STOCK IN LOANCARE  
SERVICING CENTER, INC., LC INSURANCE AGENCY, INC., AND CERTAIN  
TANGIBLE ASSETS AND RELATED STOCK PURCHASE AGREEMENT, (II)  
STALKING HORSE PROTECTIONS AND SALE PROCEDURES, AND  
(III) FORM AND MANNER OF NOTICE; AND (B) GRANTING RELATED RELIEF**

Upon the motion, dated March 20, 2009 (the "**Motion**"), of LandAmerica  
Financial Group, Inc. ("**LFG**" or the "**Debtor**"), one of the above-captioned debtors and debtors  
in possession, for entry of an order, pursuant to sections 105(a) and 363 of title 11 of the United  
States Code (the "**Bankruptcy Code**"), (a) approving (i) the sale (the "**Sale**") of LFG's interests

(the “**LoanCare Stock**”) in LoanCare Servicing Center, Inc. and LC Insurance Agency, Inc. (together, “**LoanCare**”) and certain tangible assets (collectively, “**Purchased Assets**”) to Alpine Equity, L.P. or an affiliate (the “**Potential Purchaser**”) and the related Stock Purchase Agreement, dated March 13, 2009 (the “**Purchase Agreement**”), (ii) certain stalking horse protections, including a break-up fee (the “**Break-up Fee**”) and expense reimbursement (the “**Expense Reimbursement**”) payable to the Potential Purchaser, (iii) procedures (the “**Bidding Procedures**”) for the conduct of an Auction (as defined below) and Sale of the Purchased Assets free and clear of liens, interests, claims, pledges and encumbrances, and (iv) the form and manner of notice of the Bidding Procedures, and (b) granting related relief; and it appearing that notice of the Motion as it pertains to the entry of this Bidding Procedures Order was good and sufficient under the circumstances and that no other or further notice need be given with respect to entry of this Bidding Procedures Order; and the Court having reviewed the Motion and all objections thereto, if any, and having heard the statements in support of the relief requested therein at an April 16, 2009 hearing before the Court (the “**Hearing**”); and it appearing that entry of this Order is in the best interests of the Debtor and its estate and stakeholders; and upon the Motion and the record of the Hearing and all other proceedings had before the Court; and after due deliberation and good cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:<sup>1</sup>

A. The Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

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<sup>1</sup> Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

B. Due and proper notice of the Motion was provided as set forth in the Motion, and no other or further notice is required.

C. The Bidding Procedures, in the form annexed hereto as Exhibit A, are fair, reasonable and appropriate and are designed to maximize the value of the Debtor's estate.

D. The Debtor has demonstrated a compelling and sound business justification for authorizing the payment of the Expense Reimbursement and the Break-up Fee as set forth in the Purchase Agreement.

E. The Expense Reimbursement and Break-up Fee (i) are fair and reasonable, (ii) provide a benefit to the Debtor's estate and parties in interest in this case, and (iii) will preserve the value of the Debtor's estate for the benefit of creditors.

F. The Break-up Fee, among other things: (i) is the result of arm's-length negotiations among the parties that were not tainted by self-dealing or manipulation; (ii) is reasonably tailored to encourage, rather than hamper, bidding for the Purchased Assets; (iii) is reasonable in amount relative to the proposed purchase price; (iv) is reasonably tailored to retain a potentially successful bid, establish a bid standard and minimum bid for other bidders, and attract additional bidders; and (v) correlates with a maximization of value to the Debtor's estate.

G. If applicable, the Debtor's payment of the Expense Reimbursement and the Break-up Fee, are reasonable and appropriate, in light of, among other things, (i) the size and nature of the proposed Sale, (ii) the substantial efforts that are being expended by the Potential Purchaser, and (iii) the benefits the Potential Purchaser is providing to the Debtor's estate and creditors and all parties in interest.

H. The form and scope of the Sale Notice (as defined below) is reasonable and appropriate and complies with all applicable provisions of the Bankruptcy Code, the Federal

Rules of Bankruptcy Procedure (“**Bankruptcy Rules**”), Local Rules for the United States Bankruptcy Court for the Eastern District of Virginia (the “**Local Rules**”) and applicable case law.

I. The entry of this order (the “**Bidding Procedures Order**”) is in the best interests of the Debtor and its estate, creditors and stakeholders.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion, as it pertains to the matters addressed herein, is granted.
2. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.
3. The Bidding Procedures, annexed hereto as Exhibit A, are incorporated herein by reference, are approved and shall govern all bids and bid procedures relating to the sale of the Purchased Assets. The Debtor is authorized to take any and all actions necessary or appropriate to implement the Bidding Procedures.
4. Allowance and payment of the Break-up Fee and Expense Reimbursement under the circumstances set forth and in accordance with the terms of the Purchase Agreement is approved, and the Potential Purchaser shall be entitled to the Break-up Fee and Expense Reimbursement to the extent set forth in the Purchase Agreement. If payment of the Break-up Fee and/or Expense Reimbursement, or Potential Purchaser’s entitlement to return of the Deposit, is triggered under the terms of the Purchase Agreement, the Debtor is authorized, without need for any application, motion, or further order of this Court, to (i) pay to the Potential Purchaser the Break-up Fee and/or Expense Reimbursement in the manner and upon the terms set forth in the Purchase Agreement, and (ii) authorize and direct the release of the Deposit to

Potential Purchaser. Until paid, the Break-up Fee and Expense Reimbursement shall constitute an allowed administrative expense claim arising in the LFG's chapter 11 cases under sections 503(b) and 507(a)(2) of the Bankruptcy Code.

5. As further described in the Bidding Procedures, the deadline for Potential Bidder(s) (as defined in the Bidding Procedures) to submit a bid for the Purchased Assets (the "**Bid Deadline**") shall be May [8], 2009 at 4:00 p.m. (prevailing Eastern Time). No bid shall be deemed to be a Qualified Bid (as defined in the Bidding Procedures) or otherwise considered for any purposes unless such bid meets the requirements set forth in the Bidding Procedures. If a higher or otherwise better Qualified Bid is timely received by the Debtor, the Debtor is authorized to conduct an auction for the Purchased Assets (the "**Auction**") on May [12], 2009 at 9:00 a.m. (prevailing Eastern Time), at the offices of Willkie Farr & Gallagher LLP in New York, New York (or such other time and place as designated by the Debtor on notice to the Qualified Bidders). The Debtor is authorized to take all actions necessary to conduct the Auction.

6. The Potential Purchaser is a Qualified Bidder and the Purchase Agreement is a Qualified Bid. With the exception of the Deposit (as defined in the Motion), which the Potential Purchaser has already provided, the Potential Purchaser shall not be required to submit any additional deposit(s).

7. The Debtor may: (a) select, in its business judgment, the highest or otherwise best offer(s), and the Successful Bidder or Bidders and the next highest and/or best offer(s), and the Back-Up Bidder or Bidders; and (b) reject any bid other than the Purchase Agreement that, in the Debtor's business judgment, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Sale

Procedures, or (iii) contrary to the best interests of the Debtor and its estate, creditors, or parties in interest.

8. If the Debtor does not receive any Qualified Bids (other than the Stalking Horse Bid) by May [8], 2009, the Debtor is authorized to cancel the Auction on notice to the Notice Parties and seek approval of the Purchase Agreement at a hearing to be held on May [14], 2009 (prevailing Eastern Time).

9. The Court shall hold a sale hearing (the “**Sale Hearing**”) on May [14], 2009 at 10:00 a.m. (prevailing Eastern Time), at which time the Court will consider approval of the Sale of the Purchased Assets to the Potential Purchaser or, if at least one Qualified Bid in addition to the Purchase Agreement is received in accordance with the Bidding Procedures, an auction is held, and someone other than Proposed Purchaser makes the highest and best offer for the Purchased Assets, to the Successful Bidder under the Bidding Procedures.

10. The Debtor shall mail a notice, which, among other things, specifies the deadline to submit a bid for the Purchased Assets, the time and place of the Auction, the terms and conditions of the Sale, and the deadline for filing any objections (the “**Sale Notice**”) substantially in the form annexed hereto as Exhibit B as described below (the “**Notice**”). The Notice is hereby approved as good and sufficient and no other or further notice shall be required if the Debtor causes to be served, within three (3) business days after entry of the Bidding Procedures Order (the “**Mailing Deadline**”), by first-class mail, postage prepaid, copies of the Sale Notice upon:

- (a) the Office of the United States Trustee for the Eastern District of Virginia;
- (b) counsel for the Creditors’ Committees;
- (c) counsel for the agents to the Debtors’ prepetition lenders;

- (d) counsel for Alpine Equity, L.P.;
- (e) all parties that previously expressed an interest in purchasing the Purchased Assets;
- (f) the Securities and Exchange Commission;
- (g) the United States Attorney's Office for the Eastern District of Virginia;
- (h) the Department of Justice;
- (i) the Federal Communications Commission;
- (j) the Federal Trade Commission;
- (k) the Internal Revenue Service;
- (l) all applicable state attorneys general, local realty, servicing and licensing enforcement agencies, and local regulatory authorities;
- (m) all applicable state and local taxing authorities;
- (n) all parties who have requested notice in the Debtors' chapter 11 cases; and
- (o) such other parties entitled to receive notice pursuant to this Court's December 23, 2008 amended administrative order entered in these cases.

11. All objections, if any, to the Sale pursuant to the terms of the agreement reached between the LFG and the Successful Bidder for the Purchased Assets must: (a) be in writing; (b) comply with the Federal Rules of Bankruptcy Procedure and the Local Rules of the Eastern District of Virginia; (c) be filed with the clerk of the Bankruptcy Court for the Eastern District of Virginia, 701 East Broad Street, Suite 4000, Richmond, Virginia 23219, on or before 4:00 p.m. (prevailing Eastern Time) on May [7], 2009 or such later date and time as the Debtor may agree; and (d) be served so as to be received no later than 4:00 p.m. (prevailing Eastern Time) on the same day, upon (i) McGuireWoods LLP One James Center, 901 East Cary Street, Richmond, Virginia 23219 (Attn: Dion W. Hayes, Esq.), co-counsel to the Debtor; (ii) Willkie

Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Paul Shalhoub, Esq. and Rachel Strickland, Esq.), co-counsel to the Debtors; (iii) Sheppard Mullin Richter & Hampton LLP, 333 South Hope Street, Forty-Eighth Floor, Los Angeles, CA 90071 (Attn: David Sands, Esq. and Theodore Cohen, Esq.), counsel to the Potential Purchaser, and (iv) the Office of the United States Trustee, 701 East Broad Street, Richmond, Virginia 23219 (Attn: Robert Van Arsdale, Esq.) (the “**Objection Notice Parties**”).

12. The failure of any objecting person or entity to timely file and serve its objection in accordance with this Order shall be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to the Motion, or the consummation and performance of the Sale to the Potential Purchaser, or alternatively, to the Successful Bidder.

#### **ADDITIONAL PROVISIONS**

13. The Debtor is authorized and empowered to take such steps, expend such sums of money and do such other things as may be necessary to implement and effect the terms of this Order.

14. The failure specifically to include any particular provisions of the Bidding Procedures in this Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Bidding Procedures be authorized and approved in their entirety.

15. Notwithstanding Bankruptcy Rule 6004(h), this Bidding Procedures Order shall not be stayed for ten (10) days after the entry hereof and shall be effective and enforceable immediately upon signature hereof.

16. The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Bidding Procedures Order.

Dated: April \_\_, 2009  
Richmond, Virginia

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UNITED STATES BANKRUPTCY JUDGE

**Exhibit A**  
**Bidding Procedures**

**BIDDING PROCEDURES**  
for  
**LOANCARE SERVICING CENTER, INC.**  
and  
**LC INSURANCE AGENCY, INC.**

**INTRODUCTION**

LandAmerica Financial Group, Inc. (“Debtor” or “LFG”) is a debtor-in-possession in a chapter 11 case under Case No. 08-35994 (the “Chapter 11 Case”), which is pending in the United States Bankruptcy Court for the Eastern District of Virginia (the “Bankruptcy Court”). LoanCare Servicing Center, Inc. and LC Insurance Agency, Inc. are wholly owned subsidiaries of LFG (collectively, the “Subsidiaries”).

The United States Bankruptcy Court for the Eastern District of Virginia has authorized LFG to enter into an agreement with Alpine Equity, L.P. or an affiliate (“Proposed Purchaser”) for the sale of all of the stock of the Subsidiaries (collectively, the “LoanCare Stock”) and certain tangible assets (collectively, the “Purchased Assets”) pursuant to its bid (the “Stalking Horse Bid”) and Stock Purchase Agreement (“Purchase Agreement”),<sup>1</sup> which Stalking Horse Bid and Purchase Agreement is subject to Bankruptcy Court approval and higher and better offers submitted in accordance with the process described in these Bidding Procedures (as defined below).

**KEY DATES**

The key dates for the sale process are as follows:

- April 16, 2009 at 10:00 a.m. EST                      Bidding Procedures Hearing
- May [8], 2009 at 4:00 p.m. EST                      Due Date for Bids and Deposits
- May [12], 2009 at 9:00 a.m. EST                      Auction
- May [14], 2009 at 10:00 a.m. EST                      Sale Approval Hearing

**SALE PROCEDURES**

Set forth below are the sale procedures (the “Bidding Procedures”) to be employed with respect to the proposed sale (the “Proposed Sale”) of the Subsidiaries. On April \_\_\_\_, 2009, the Bankruptcy Court entered an Order (the “Bidding Procedures Order”) authorizing and approving (i) stalking horse bidder protections for the Proposed Purchaser and (ii) the Proposed Sale to the

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

Proposed Purchaser or to one or more other Qualified Bidders (defined below) that are determined to have made the highest or otherwise best offers, in one or more transactions, for the Purchased Assets or all or substantially all of the assets of the Subsidiaries (the “Sale Transaction(s)”).

### **STOCK PURCHASE AGREEMENT**

On March 13, 2009, the Debtor entered into the Purchase Agreement with the Proposed Purchaser. The Purchase Agreement sets forth the Stalking Horse Bid. Pursuant to the Purchase Agreement, and to the maximum extent permitted by section 363 of title 11 of the United States Code (the “Bankruptcy Code”), the Proposed Purchaser proposes to acquire the Purchased Assets free and clear of pledges, interests, liens, claims and encumbrances.

Qualified Bidders (as defined below) may submit a bid for the Purchased Assets. The Debtor reserves the right to enter into and seek approval of one or more agreements for the sale of any or all of the Purchased Assets, individually or as part of a package, with one or more Qualified Bidders which agreements, if any, shall be subject to higher or otherwise better bids at the auction for the Purchased Assets (the “Auction”), provided that Proposed Purchaser shall be entitled to the Break-up Fee and Expense Reimbursement on the terms set forth in the Purchase Agreement.

### **THE BIDDING PROCESS**

The Debtor and its advisors shall (i) determine in its sole discretion whether any bid for the Purchased Assets is a Qualified Bid (defined below), (ii) coordinate the efforts of Potential Bidders (defined below) in conducting their due diligence investigations, (iii) receive and evaluate offers from Potential Bidders, and (iv) negotiate in good faith any offers made to purchase the Purchased Assets. Any person that wishes to participate in such bidding process must be a Potential Bidder. Neither the Debtor nor its representatives shall be obligated to furnish information of any kind whatsoever to any person that is not a Potential Bidder. The Debtor and its professionals shall use good faith efforts to provide all Potential Bidders with substantially similar access and information.

### **PARTICIPATION REQUIREMENTS**

Any person that wishes to conduct due diligence and participate in the sale process must first deliver to the Debtor:

- (i) An executed confidentiality agreement in form and substance to be provided by the Debtor, and which confidentiality agreement is at least as restrictive in all material respects as the confidentiality agreement entered into between the Debtor and the Proposed Purchaser; and
- (ii) sufficient documents and information as may be requested by the Debtor to allow the Debtor to determine that the bidder has or will have the financial wherewithal to close on the sale of the Purchased Assets.

A “Potential Bidder” is a person that delivers the documents described in subparagraphs (i) and (ii) above, and that the Debtor determines is able (based on the documents and information provided and other considerations deemed relevant by the Debtor), to submit a *bona fide* offer and to be able to consummate a Sale Transaction if selected as a Successful Bidder or Back-Up Bidder (as such terms are defined below).

### **DUE DILIGENCE**

The Debtor may afford each Potential Bidder the time and opportunity to conduct reasonable due diligence; provided, however, that neither the Debtor nor any of its representatives shall be obligated to furnish any due diligence information: (i) at any time to any person other than a Potential Bidder; or (ii) after the Bid Deadline (as hereinafter defined) to any Potential Bidder. The Proposed Purchaser shall continue to have the opportunity to conduct due diligence on the terms set forth in the Purchase Agreement.

### **BID DEADLINE**

The deadline for a Potential Bidder to submit bids shall be **May [8], 2009 at 4:00 p.m. (prevailing Eastern Time)** (the “**Bid Deadline**”). Any Potential Bidder who fails to submit a bid so as to be received by the parties listed below in advance of the Bid Deadline shall not be deemed a Qualified Bidder.

Prior to the Bid Deadline, a Potential Bidder that desires to make a bid shall deliver written copies of its bid in writing and executed by an individual authorized to bind the Potential Bidder. Each bid shall be served by overnight mail and e-mail on: the Debtor (Attn: Michelle Gluck, Esq., LandAmerica Financial Group, Inc., 5600 Cox Road, Glen Allen, VA 23060, [mgluck@landam.com](mailto:mgluck@landam.com)), 804-267-8826 (fax); Co-Counsel to the Debtor (Attn: Rachel Strickland and Mark Cognetti, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, [rstrickland@willkie.com](mailto:rstrickland@willkie.com) and [mcognetti@willkie.com](mailto:mcognetti@willkie.com)); and Counsel to the Official Committee of Unsecured Creditors (the “**Committee**”) appointed in the Chapter 11 Case (Attn: Jeffrey Sabin, Bingham McCutchen LLP, 399 Park Avenue, New York, NY 10022, [jeffrey.sabin@bingham.com](mailto:jeffrey.sabin@bingham.com)).

### **BID REQUIREMENTS**

All bids must include two copies of the following items (the “**Required Bid Materials**”):

- Evidence providing sufficient indicia that such Potential Bidder or representative is legally empowered, by power of attorney or otherwise, and financially capable to (i) bid on behalf of the Potential Bidder, and (ii) complete and sign, on behalf of such Potential Bidder, a binding and enforceable purchase agreement.
- An executed copy of a purchase agreement and any ancillary agreements pursuant to which the Potential Bidder proposes to acquire the Purchased Assets, which purchase agreement shall include (i) a commitment to close by a date no later than fifteen (15) days following the approval of the sale by the

Bankruptcy Court, and (ii) a representation that the Potential Bidder will promptly make all necessary filings pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (“HSR Act”) and promptly pay the fees associated with such filings if applicable.

- A written acknowledgement by the Potential Bidder that it agrees to all of the terms for sale set forth in these Bidding Procedures.
- A proposed purchase price, in cash, securities or other form of consideration, which is determined by the Debtor to be acceptable and equal to or greater than the sum of (i) the purchase price set forth in the Purchase Agreement, (ii) the Expense Reimbursement, (iii) the Break-Up Fee, and (iv) \$50,000, (the sum of (i) through (iv), the “Initial Incremental Bid Amount”).
- A good faith deposit equal to 3% of the proposed purchase price (each such deposit and the deposit referred to in the next paragraph is referred to herein as the “Deposit”). The Deposit shall be held in escrow and will be refunded on the terms set forth below.
- Evidence or a statement indicating that the Potential Bidder has obtained authorization and approval from its board of directors (or comparable governing body) with respect to the submission and consummation of its bid and acceptance of the terms of sale in these Bidding Procedures, or a representation that no such authorization or approval is required and that any and all consents required in connection with the submission and consummation of the bid have been obtained and that no other consents are required.
- Evidence of sufficient cash on hand or written evidence of a commitment for financing or other evidence of the ability to consummate the sale satisfactory to the Debtor with appropriate contact information for such financing sources.
- A redline of the Potential Bidder’s proposed purchase agreement, which is marked against the Purchase Agreement.
- A written disclosure of the identity of each entity that will be bidding for the Purchased Assets or otherwise participating in connection with such bid, and the complete terms of any such participation (including copies of any co-investor agreements, side letters and other similar documents). Further, each bid must provide sufficient information regarding both the Potential Bidder and partner(s), if any, to satisfy the Debtor with respect to the requirements enumerated in section 363(n) of the Bankruptcy Code.
- Such other information as may be reasonably requested by the Debtor, including any information that would allow the Debtor to ascertain the creditworthiness of the Potential Bidder.

In addition, any bid for the Purchased Assets must:

- be on terms that are not materially more burdensome or conditional than the terms of the Purchase Agreement;
- not be conditioned on obtaining financing or the outcome of any due diligence by the Potential Bidder; and
- not request or entitle the Potential Bidder to any break-up fee, expense reimbursement or similar type of payment.

A bid received from a Potential Bidder that includes all of the Required Bid Materials and meets all of the above requirements is a “Qualified Bid.” A Potential Bidder that submits a Qualified Bid (a “Qualified Bidder”) shall be entitled to participate in the Auction.

The Debtor reserves the right to determine the value of any Qualified Bid (either by itself or in connection with one or more other Qualified Bids or the Debtor’s other restructuring alternatives), and which Qualified Bid or Qualified Bids constitutes the highest or otherwise best offer. The Debtor further reserves the right to contact Potential Bidders to discuss or clarify the terms of such Potential Bidder’s bid and to indicate any terms which may need to be modified in order to conform the bid to a Qualified Bid or otherwise evaluate the bid. The Debtor (in consultation with the Committee) also reserves the right to reject, at any time before entry of an order of the Bankruptcy Court approving a Qualified Bid, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures or the terms and conditions of sale, or (iii) contrary to the best interests of the Debtor or its estate.

### **PROPOSED PURCHASER IS A QUALIFIED BIDDER**

The Proposed Purchaser is a Qualified Bidder, and the Purchase Agreement is a Qualified Bid. The Proposed Purchaser shall not be required to take any further action in order to participate in the Auction or, if the Proposed Purchaser’s bid is the Successful Bid (as defined below) or the Back-Up Bid (as defined below), to be named the Successful Bidder or the Back-Up Bidder at the Sale Approval Hearing (as defined below).

### **AUCTION**

If a Qualified Bid other than that submitted by the Proposed Purchaser has been received by the Debtor, the Debtor shall conduct an auction (the “Auction”) with respect to the Purchased Assets. The Auction shall commence on **May [12], 2009** at 9:00 a.m. (prevailing Eastern Time) at the New York offices of Willkie Farr & Gallagher LLP. The Debtor shall notify all Qualified Bidders of the time and specific location of the Auction. If no Qualified Bids are received other than the Stalking Horse Bid or if the Qualified Bids submitted are rejected, no Auction will take place and the Debtor shall request that the Bankruptcy Court approve the Proposed Sale to the Proposed Purchaser at the Sale Approval Hearing.

Only a Qualified Bidder who is designated as such by the Debtor is eligible to participate

at the Auction. During the Auction, bidding shall begin initially with the highest Qualified Bid(s) as determined by the Debtor (after consultation with the Committee and/or its professionals).

Based upon the terms of the Qualified Bids received, the number of Qualified Bidders participating in the Auction, and such other information as the Debtor determines is relevant, the Debtor may conduct the Auction in any manner that they determine will achieve the maximum value for the Purchased Assets. The Debtor may set opening bid amounts in each round of bidding as the Debtor determines to be appropriate. The Debtor may also adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction and that are not inconsistent with any order of the Bankruptcy Court. All such rules will provide that all bids shall be made and received in one room, on an open basis, and all Qualified Bidders shall be entitled to be present for all bidding with the understanding that the true identity of each Qualified Bidder (*i.e.*, the principals submitting each bid) shall be fully disclosed to all other Qualified Bidders and that all material terms of each Qualified Bid will be fully disclosed to all other Qualified Bidders throughout the entire Auction. The Debtor shall provide for a court reporter to be present at and prepare a transcript of the Auction.

Unless otherwise agreed by the Debtor, no Qualified Bidder will be permitted more than thirty minutes to respond to the previous bid at the Auction and, at the expiration of such time (unless extended), the Auction shall conclude. Upon conclusion of the bidding, the Auction shall be closed, and the Debtor in the exercise of business judgment, shall (i) immediately review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the Proposed Sale, and (ii) at the Auction identify which highest or best offer(s) for the Purchased Assets will provide the greatest amount of net value to the Debtor and its estate, and advise the Qualified Bidders of such determination. The Qualified Bidder(s) whose final bid(s) is/are deemed by the Debtor to be highest or best following the conclusion of the Auction, will be the "Successful Bidder(s)," and such bid(s), the "Successful Bid(s)." The next highest and best bid(s) on the terms set forth in such party's agreement will be the "Back-Up Bid(s)" and the maker of the bid will be the "Back-Up Bidder(s)." Final Documents between the Debtor and both the Successful Bidder(s) and the Back-Up Bidder(s) will be executed on the same day of the Auction.

EACH BID SUBMITTED SHALL CONSTITUTE AN IRREVOCABLE OFFER AND BE BINDING ON THE SUCCESSFUL BIDDER(S) AND THE BACK-UP BIDDER(S) FROM THE TIME THE BID IS SUBMITTED UNTIL THE ENTRY OF THE SALE APPROVAL ORDER AND IF THE SUCCESSFUL BID(S) AND BACK-UP BID(S) ARE APPROVED, AS THE CASE MAY BE, AS TO THEM UNTIL THE EARLIER OF TWO (2) BUSINESS DAYS AFTER THE SALE OR SALES OF THE PURCHASED ASSETS HAS CLOSED OR, WITH RESPECT TO THE BACK-UP BIDDER, THE LATER OF (A) TWENTY (20) DAYS AFTER THE SALE APPROVAL ORDER IS ENTERED, OR (B) ANY APPLICABLE WAITING PERIOD, TO THE EXTENT REQUIRED, UNDER THE HSR ACT, IN EITHER CASE UNLESS FURTHER EXTENDED BY AGREEMENT BETWEEN THE DEBTOR AND THE BACK-UP BIDDER(S).

### **SALE APPROVAL HEARING**

The Debtor intends to sell the Purchased Assets to the Successful Bidder(s) upon the approval of the Successful Bid(s) and the Back-Up Bid(s) by the Bankruptcy Court after a hearing (the “Sale Approval Hearing”). The Sale Approval Hearing shall be conducted by the Bankruptcy Court on **May [14], 2009** at 10:00 a.m. (prevailing Eastern Time) at which the Debtor will seek Bankruptcy Court approval of the Successful Bid(s) and the Back-Up Bid(s). There will be no further bidding at such hearing. In the event that the Successful Bidder(s) cannot or refuses to consummate the sale or sales because of the breach or failure on the part of the Successful Bidder(s), the Debtor shall be permitted to close with the Back-Up Bidder(s) on the Back-Up Bid(s) without further order of the Court.

**TERMS OF SALE**

Except as and to the extent provided in the Purchase Agreement or in any other agreement that may be entered into by the Debtor, the sale of the Purchased Assets shall be on an “AS IS, WHERE IS” basis and without representations or warranties of any kind, nature or description by the Debtor or its agents and, by submitting a bid, each Qualified Bidder is deemed to acknowledge and agree to the foregoing.

**RETURN OF DEPOSITS**

No Deposit submitted pursuant to the Bidding Procedures shall be subject to the liens, claims, security interests, or encumbrances of the Debtor’s creditors. Each Deposit submitted pursuant to the Bidding Procedures will be held in escrow until the selection of the Successful Bidder(s) and the Back-Up Bidder(s), as to all other Qualified Bidders, or as to the Back-Up Bidder(s), forty-eight (48) hours after the Back-Up Bidder(s) is terminated in accordance with the provisions above.

If the Successful Bidder(s) or the Back-Up Bidder(s) fail to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder(s) or Backup Bidder(s), the Debtor shall be entitled to retain the Deposit as its damages resulting from the breach or failure to perform by the Successful Bidder(s) or the Back-Up Bidder(s) as the case may be. The Debtor may, at its sole option, credit the Deposit of the Successful Bidder(s) or the Back-Up Bidder(s) towards the purchase price on the closing of the sale of the Purchased Assets. If the Debtor does not so credit the Deposit, it shall return the Deposit to the Successful Bidder(s).

# # # # #

**Exhibit B**  
**Notice of Bid Deadline, Auction, and Sale Hearing**

Paul V. Shalhoub (Admitted *Pro Hac Vice*)  
Rachel C. Strickland (Admitted *Pro Hac Vice*)  
Jordana Linder (Admitted *Pro Hac Vice*)  
WILLKIE FARR & GALLAGHER LLP  
787 Seventh Avenue  
New York, New York 10019  
(212) 728-8000

- and -

Dion W. Hayes (VSB No. 34304)  
John H. Maddock III (VSB No. 410444)  
McGUIREWOODS LLP  
One James Center  
901 East Cary Street  
Richmond, Virginia 23219-4030  
(804) 775-1000

Attorneys for the Debtors and  
Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION

-----X  
In re : Chapter 11  
: :  
LandAmerica Financial Group, Inc., et al. : Case No. 08-35994 (KRH)  
: :  
Debtors. : (Jointly Administered)  
-----X

**NOTICE OF SALE AND BIDDING PROCEDURES**

**NOTICE:** On May [14], 2009 at 10:00 a.m. (prevailing Eastern Time) in the United States Bankruptcy Court for the Eastern District of Virginia, 701 East Broad Street, Richmond, Virginia 23219 (the “**Sale Hearing**”), one of the above-captioned debtors and debtors in possession (“**LFG**” or the “**Debtor**”) will ask the Court to approve a sale (the “**Sale**”) of LFG’s interests (the “**LoanCare Stock**”) in LoanCare Servicing Center, Inc. and LC Insurance Agency, Inc. (together, “**LoanCare**”) and certain tangible assets (collectively, the “**Purchased Assets**”) to Alpine Equity, L.P. or an affiliate (the “**Potential Purchaser**”) or another party or parties that submit a higher and/or otherwise better bid for the Purchased Assets (the “**Successful Bidder(s)**”), free and clear of all liens, claims, pledges, interests and encumbrances (collectively, the “**Liens**”), with all such Liens to attach solely to the net sale proceeds of the Sale ultimately attributable to the property against or in which such Liens are asserted, all with the same validity, dignity, priority and effect and to the same extent as existed prior to the Sale and in all case subject to any and all rights, claims and defenses that the Debtor may have with respect thereto. The Sale Hearing may be continued from time to time without further notice, except by the announcement in open court of the time and place of such continued Sale Hearing.

The Purchased Assets being sold will be sold pursuant to bidding procedures (the “**Bidding Procedures**”), which were approved by the United States Bankruptcy Court for the Eastern District of Virginia (the “**Court**”) pursuant to an order (the “**Bidding Procedures Order**”) dated April \_\_, 2009. The Bidding Procedures set forth the following deadlines:

Deadline for Bids and Deposits Auction	May [8], 2009, at 4:00 p.m. (prevailing Eastern Time)
	May [12], 2009, at 9:00 a.m.] (prevailing Eastern Time)
Final Hearing to Approve Sale	May [14], 2009, at 10:00 a.m. (prevailing Eastern Time)

All interested parties are invited to become a Qualified Bidder<sup>1</sup> and to make offers to purchase the Purchased Assets in accordance with the terms of the Bidding Procedures and Bidding Procedures Order. The deadline to submit bids (the “**Bid Deadline**”) is May [8], 2009 at 4:00 p.m. (prevailing Eastern Time). Pursuant to the Bidding Procedures Order, if there is at least one Qualified Bidder in addition to the Potential Purchaser, the Debtor will conduct an auction (the “**Auction**”) for the Sale of the Purchased Assets at Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, on May [12], 2009 at 9:00 a.m. (prevailing Eastern Time), telephonically or at another time or location, as noticed to such bidder.

If no higher or better bid(s) are obtained or agreements entered into with respect to the purchase and Sale of the Purchased Assets, the Debtor will sell the Purchased Assets to the Potential Purchaser pursuant to the Stock Purchase Agreement dated March 13, 2009 (“**Purchase Agreement**”) on file with the Court. The basic terms of the Purchase Agreement are summarized as follows (with all capitalized terms not defined herein having those meanings set forth in the Purchase Agreement):<sup>2</sup>

**Purchased Shares:** On the closing date, LFG shall sell, transfer, and deliver to the Potential Purchaser the LoanCare Stock and the assets listed on Section 2.1 of the Disclosure Schedules (i.e, the Purchased Assets) in accordance with the terms of the Purchase Agreement, free and clear of all Liens against the Purchased Assets.

**Purchase Price:** The purchase price of the Purchased Assets shall total \$6,500,000 in cash (the “**Purchase Price**”).

**Deposit:** Simultaneously with the execution of the Purchase Agreement, the Potential Purchaser made a good faith deposit in an amount equal to \$200,000 (the “**Deposit**”). The Deposit is held in escrow and shall be credited against the Purchase Price at closing.

**Employee Matters:** During the period commencing on the closing date and ending on the first (1st) anniversary of the closing date (the “**Continuation Period**”), the Potential Purchaser will provide, or cause to be provided, to each employee who remains employed by the Potential Purchaser or any of its Affiliates following the closing date (the “**Company Employees**”) with a base salary or hourly wage rate which is no less favorable to such employee’s base salary or hourly wage rate immediately before the closing date provided, that the foregoing shall not be construed as a guaranty of employment for any employee, including any Company Employee. During the Continuation Period, the Potential Purchaser will use commercially reasonable efforts to provide each Company Employee the opportunity to participate in employee benefit plans, programs and policies which provide benefits that are no less favorable in the aggregate to the benefits provided to such employee under the employee benefit plans sponsored by LoanCare and/or the LFG immediately before the closing date.

**Closing Conditions:** Articles VI and VII of the Purchase Agreement contain various closing conditions, including but not limited to, the absence of material adverse effect, the accuracy of representations and warranties contained in the Purchase Agreement, material compliance with covenants and agreements, the absence of bankruptcy filing by LoanCare, termination of certain vendor relationships, and the absence of an order preventing the Sale.

**Termination:** The Purchase Agreement may be terminated prior to the closing: (a) by mutual written consent of the parties; (b) by either party if a final and non-appealable order or injunction enjoining or

<sup>1</sup> Capitalized Terms not defined herein shall have the meanings ascribed to such terms in the Bidding Procedures.

<sup>2</sup> This summary is qualified by the terms and conditions of the Purchase Agreement. In the event of an inconsistency between this summary and the Purchase Agreement, the Purchase Agreement shall control.

otherwise prohibiting the sale of the Purchased Assets is entered; (c) by either party if closing has not occurred on or before seventy-five (75) days after entry of the Bidding Procedures Order; (d) by the Potential Purchaser, if prior to closing, the Bankruptcy Court enters an order with respect to an alternative transaction; (e) by either party if (i) the Bankruptcy Court denies the Bidding Procedures Order; or (ii) the Bidding Procedures Order is not entered within forty (40) days following March 13, 2009; (f) by either party, if (i) the Bankruptcy Court denies the Sale Order, or (ii) the Sale Order is not entered within ninety (90) days following March 13, 2009; (g) by the Potential Purchaser, upon a material breach of any covenant of the Purchase Agreement (h) by LFG, upon a material breach of any covenant or agreement under the Purchase Agreement; and (i) by LFG if the Auction is held and (i) the Potential Purchaser is not the Winning Bidder or the Back-up Bidder or (ii) the Potential Purchaser was the Back-up Bidder but is no longer obligated to remain as the Back-up Bidder pursuant to the Bidding Procedures Order of the Purchase Agreement.

**Break-up Fee; Expense Reimbursement:** LFG agreed to (i) pay the Potential Purchaser a break-up fee in the amount equal to \$350,000 (the “**Break-up Fee**”) in the event that (a) LFG enters into an agreement with respect to an alternative transaction, LFG materially breaches a covenant or agreement of the Purchase Agreement, or the Potential Purchaser is not the Winning Bidder, the Back-up Bidder, or is no longer obligated to remain as the Back-up Bidder, and (ii) pay the Potential Purchaser its reasonable out-of-pocket fees (including reasonable attorneys’ fees) and expenses incurred in connection with the transactions contemplated by the Purchase Agreement not to exceed \$100,000 (such amount, the “**Expense Reimbursement**”), provided, however, that such Break-up Fee and Expense Reimbursement shall be paid no later than two business days after the earlier of (i) the date LFG consummates a transaction with respect to the Purchased Assets that yields proceeds equal to or greater than the sum of the Break-up Fee and the Expense Reimbursement or (ii) the effective date of a plan of liquidation of LFG.

**Transition Services Agreement:** On March 13, 2009, LFG and the Potential Purchaser agreed to the form of a Transition Services Agreement to be executed and to take effect at closing whereby each party agrees to provide the other with various transition services, with related costs allocated on the same basis as they were historically, while they work together to separate the purchased business from those that have not been transferred, and migrate services being provided by LFG and its remaining subsidiaries to Potential Purchaser.

**Bankruptcy Court Approval:** The Purchase Agreement is subject to Court approval.

This is a brief and general summary of the operative documents governing the Sale. The details of the Purchase Agreement govern over this brief summary. You are encouraged to review the Purchase Agreement, the Bidding Procedures, the related Motion, and other related papers.

**Objections, if any, to the relief to be requested at the Sale Hearing on May [14], 2009 must:** (a) be in writing; (b) comply with the Federal Rules of Bankruptcy Procedure and the Local Rules of the Eastern District of Virginia; (c) be filed with the clerk of the Bankruptcy Court for the Eastern District of Virginia, 701 East Broad Street, Suite 4000, Richmond, Virginia 23219, on or before 4:00 p.m. (prevailing Eastern Time) on May [7], 2009 or such later date and time as the Debtor may agree; and (d) be served so as to be received no later than 4:00 p.m. (prevailing Eastern Time) on the same day, upon (i) McGuireWoods LLP One James Center, 901 East Cary Street, Richmond, Virginia 23219 (Attn: Dion W. Hayes, Esq.), co-counsel to the Debtor; (ii) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Paul Shalhoub, Esq. and Rachel Strickland, Esq.), co-counsel to the Debtors; (iii) Sheppard Mullin Richter & Hampton LLP, 333 South Hope Street, Forty-Eighth Floor, Los Angeles, CA 90071 (Attn: David Sands, Esq. and Theodore Cohen, Esq.), counsel to the Potential Purchaser, and (iv) the Office of the United States Trustee, 701 East Broad Street, Richmond, Virginia 23219 (Attn: Robert Van Arsdale, Esq.) (the “**Objection Notice Parties**”).

**Any objector must also appear at the Sale Hearing.**

Copies of the Debtor’s Motion, the Purchase Agreement, the Bidding Procedures and the Bidding Procedures Order are available on (a) the Bankruptcy Court’s website, [www.vaeb.uscourts.gov](http://www.vaeb.uscourts.gov), and (b)

<http://chapter11.epiqsystems.com/landamerica>, and are on file with the Clerk of the Court. Additional information may be obtained on request from the Debtor's counsel.

Dated: New York, New York  
April \_\_, 2009

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Attorneys for the Debtors and  
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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION

-----X  
In re : Chapter 11  
: :  
LandAmerica Financial Group, Inc., et al. : Case No. 08-35994 (KRH)  
: :  
Debtors. : (Jointly Administered)  
-----X

**NOTICE OF SALE AND BIDDING PROCEDURES**

**NOTICE:** On May [14], 2009 at 10:00 a.m. (prevailing Eastern Time) in the United States Bankruptcy Court for the Eastern District of Virginia, 701 East Broad Street, Richmond, Virginia 23219 (the “**Sale Hearing**”), one of the above-captioned debtors and debtors in possession (“**LFG**” or the “**Debtor**”) will ask the Court to approve a sale (the “**Sale**”) of LFG’s interests (the “**LoanCare Stock**”) in LoanCare Servicing Center, Inc. and LC Insurance Agency, Inc. (together, “**LoanCare**”) and certain tangible assets (collectively, the “**Purchased Assets**”) to Alpine Equity, L.P. or an affiliate (the “**Potential Purchaser**”) or another party or parties that submit a higher and/or otherwise better bid for the Purchased Assets (the “**Successful Bidder(s)**”), free and clear of all liens, claims, pledges, interests and encumbrances (collectively, the “**Liens**”), with all such Liens to attach solely to the net sale proceeds of the Sale ultimately attributable to the property against or in which such Liens are asserted, all with the same validity, dignity, priority and effect and to the same extent as existed prior to the Sale and in all case subject to any and all rights, claims and defenses that the Debtor may have with respect thereto. The Sale Hearing may be continued from time to time without further notice, except by the announcement in open court of the time and place of such continued Sale Hearing.

The Purchased Assets being sold will be sold pursuant to bidding procedures (the “**Bidding Procedures**”), which were approved by the United States Bankruptcy Court for the Eastern District of Virginia (the “**Court**”) pursuant to an order (the “**Bidding Procedures Order**”) dated April \_\_, 2009. The Bidding Procedures set forth the following deadlines:

Deadline for Bids and Deposits Auction	May [8], 2009, at 4:00 p.m. (prevailing Eastern Time)
	May [12], 2009, at 9:00 a.m.] (prevailing Eastern Time)
Final Hearing to Approve Sale	May [14], 2009, at 10:00 a.m. (prevailing Eastern Time)

All interested parties are invited to become a Qualified Bidder<sup>1</sup> and to make offers to purchase the Purchased Assets in accordance with the terms of the Bidding Procedures and Bidding Procedures Order. The deadline to submit bids (the “**Bid Deadline**”) is May [8], 2009 at 4:00 p.m. (prevailing Eastern Time). Pursuant to the Bidding Procedures Order, if there is at least one Qualified Bidder in addition to the Potential Purchaser, the Debtor will conduct an auction (the “**Auction**”) for the Sale of the Purchased Assets at Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, on May [12], 2009 at 9:00 a.m. (prevailing Eastern Time), telephonically or at another time or location, as noticed to such bidder.

If no higher or better bid(s) are obtained or agreements entered into with respect to the purchase and Sale of the Purchased Assets, the Debtor will sell the Purchased Assets to the Potential Purchaser pursuant to the Stock Purchase Agreement dated March 13, 2009 (“**Purchase Agreement**”) on file with the Court. The basic terms of the Purchase Agreement are summarized as follows (with all capitalized terms not defined herein having those meanings set forth in the Purchase Agreement):<sup>2</sup>

**Purchased Shares:** On the closing date, LFG shall sell, transfer, and deliver to the Potential Purchaser the LoanCare Stock and the assets listed on Section 2.1 of the Disclosure Schedules (i.e, the Purchased Assets) in accordance with the terms of the Purchase Agreement, free and clear of all Liens against the Purchased Assets.

**Purchase Price:** The purchase price of the Purchased Assets shall total \$6,500,000 in cash (the “**Purchase Price**”).

**Deposit:** Simultaneously with the execution of the Purchase Agreement, the Potential Purchaser made a good faith deposit in an amount equal to \$200,000 (the “**Deposit**”). The Deposit is held in escrow and shall be credited against the Purchase Price at closing.

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**Closing Conditions:** Articles VI and VII of the Purchase Agreement contain various closing conditions, including but not limited to, the absence of material adverse effect, the accuracy of representations and warranties contained in the Purchase Agreement, material compliance with covenants and agreements, the absence of bankruptcy filing by LoanCare, termination of certain vendor relationships, and the absence of an order preventing the Sale.

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<sup>2</sup> This summary is qualified by the terms and conditions of the Purchase Agreement. In the event of an inconsistency between this summary and the Purchase Agreement, the Purchase Agreement shall control.

otherwise prohibiting the sale of the Purchased Assets is entered; (c) by either party if closing has not occurred on or before seventy-five (75) days after entry of the Bidding Procedures Order; (d) by the Potential Purchaser, if prior to closing, the Bankruptcy Court enters an order with respect to an alternative transaction; (e) by either party if (i) the Bankruptcy Court denies the Bidding Procedures Order; or (ii) the Bidding Procedures Order is not entered within forty (40) days following March 13, 2009; (f) by either party, if (i) the Bankruptcy Court denies the Sale Order, or (ii) the Sale Order is not entered within ninety (90) days following March 13, 2009; (g) by the Potential Purchaser, upon a material breach of any covenant of the Purchase Agreement (h) by LFG, upon a material breach of any covenant or agreement under the Purchase Agreement; and (i) by LFG if the Auction is held and (i) the Potential Purchaser is not the Winning Bidder or the Back-up Bidder or (ii) the Potential Purchaser was the Back-up Bidder but is no longer obligated to remain as the Back-up Bidder pursuant to the Bidding Procedures Order of the Purchase Agreement.

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**Transition Services Agreement:** On March 13, 2009, LFG and the Potential Purchaser agreed to the form of a Transition Services Agreement to be executed and to take effect at closing whereby each party agrees to provide the other with various transition services, with related costs allocated on the same basis as they were historically, while they work together to separate the purchased business from those that have not been transferred, and migrate services being provided by LFG and its remaining subsidiaries to Potential Purchaser.

**Bankruptcy Court Approval:** The Purchase Agreement is subject to Court approval.

This is a brief and general summary of the operative documents governing the Sale. The details of the Purchase Agreement govern over this brief summary. You are encouraged to review the Purchase Agreement, the Bidding Procedures, the related Motion, and other related papers.

**Objections, if any, to the relief to be requested at the Sale Hearing on May [14], 2009 must:** (a) be in writing; (b) comply with the Federal Rules of Bankruptcy Procedure and the Local Rules of the Eastern District of Virginia; (c) be filed with the clerk of the Bankruptcy Court for the Eastern District of Virginia, 701 East Broad Street, Suite 4000, Richmond, Virginia 23219, on or before 4:00 p.m. (prevailing Eastern Time) on May [7], 2009 or such later date and time as the Debtor may agree; and (d) be served so as to be received no later than 4:00 p.m. (prevailing Eastern Time) on the same day, upon (i) McGuireWoods LLP One James Center, 901 East Cary Street, Richmond, Virginia 23219 (Attn: Dion W. Hayes, Esq.), co-counsel to the Debtor; (ii) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Paul Shalhoub, Esq. and Rachel Strickland, Esq.), co-counsel to the Debtors; (iii) Sheppard Mullin Richter & Hampton LLP, 333 South Hope Street, Forty-Eighth Floor, Los Angeles, CA 90071 (Attn: David Sands, Esq. and Theodore Cohen, Esq.), counsel to the Potential Purchaser, and (iv) the Office of the United States Trustee, 701 East Broad Street, Richmond, Virginia 23219 (Attn: Robert Van Arsdale, Esq.) (the “**Objection Notice Parties**”).

**Any objector must also appear at the Sale Hearing.**

Copies of the Debtor’s Motion, the Purchase Agreement, the Bidding Procedures and the Bidding Procedures Order are available on (a) the Bankruptcy Court’s website, [www.vaeb.uscourts.gov](http://www.vaeb.uscourts.gov), and (b)

<http://chapter11.epiqsystems.com/landamerica>, and are on file with the Clerk of the Court. Additional information may be obtained on request from the Debtor's counsel.

Dated: New York, New York  
April \_\_, 2009

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- and -

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Attorneys for the Debtors and  
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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION

-----X  
In re : Chapter 11  
: :  
LandAmerica Financial Group, Inc., et al. : Case No. 08-35994 (KRH)  
: :  
Debtors. : Jointly Administered  
-----X

**ORDER (A) APPROVING: (I) SALE OF DEBTOR'S STOCK IN LOANCARE  
SERVICING CENTER, INC., LC INSURANCE AGENCY, INC., AND CERTAIN  
TANGIBLE ASSETS AND RELATED STOCK PURCHASE AGREEMENT, (II)  
STALKING HORSE PROTECTIONS AND SALE PROCEDURES, AND (III)  
FORM AND MANNER OF NOTICE; AND (B) GRANTING RELATED RELIEF**

Upon the motion (the "Motion") of LandAmerica Financial Group Inc. (the "Debtor"), dated March 20, 2009, for entry of an Order pursuant to sections 105(a) and 363 of title 11 of the United States Code the "Bankruptcy Code"), and Rules 2002, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"): (a) approving (i)

the sale (the “Sale”) of LFG’s interests (the “LoanCare Stock”) in LoanCare Servicing Center, Inc. and LC Insurance Agency, Inc. (together, “LoanCare”) and certain tangible assets (collectively, the “Purchased Assets”) to Alpine Equity, L.P. or an affiliate (the “Buyer”) and the related Stock Purchase Agreement dated March 13, 2009 (the “Purchase Agreement”), (ii) stalking horse protections and procedures for conducting the sale of the Purchased Assets (collectively, the “Bidding Procedures”) and (iii) related notice procedures and hearing dates; and (b) granting related relief; and the Court having granted a portion of the relief requested in the Motion at a hearing held on April [16], 2009 (the “Bidding Procedures Hearing”); and the Court having heard the statements of counsel and the evidence presented in support of the balance of the relief requested in the Motion at a hearing before the Court on May [14], 2009 (the “Sale Hearing”); and upon the full and complete record of this Chapter 11 case; and it appearing that the Court has jurisdiction over this matter; and it further appearing that the legal and factual bases set forth in the Motion, at the Bidding Procedures Hearing, and at the Sale Hearing establish just cause for the relief granted herein; and it further appearing that the relief requested in the Motion is in the best interests of the Debtor, its creditors, and all other parties in interest in this Chapter 11 case; therefore,

THE COURT HEREBY FINDS AND DETERMINES THAT:

A. The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014.

B. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

C. The Court has jurisdiction to grant the relief requested in the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

D. The statutory predicates for the relief sought in the Motion are sections 105(a) and 363 of the Bankruptcy Code, as supplemented by Bankruptcy Rules 2002, 6004 and 9014.

E. Notice of the Sale (the “Sale Notice”)<sup>1</sup> has been served upon: (i) the Office of the United States Trustee for the Eastern District of Virginia; (ii) counsel for the Creditors’ Committees; (iii) counsel for the agents to the Debtors’ prepetition lenders; (iv) counsel for Alpine Equity, L.P.; (v) all parties that previously expressed an interest in purchasing the Purchased Assets; (vi) the Securities and Exchange Commission; (vii) the United States Attorney’s Office for the Eastern District of Virginia; (viii) the Department of Justice; (ix) the Federal Communications Commission; (x) the Federal Trade Commission; (xi) the Internal Revenue Service; (xii) all applicable state attorneys general, local realty, servicing and licensing enforcement agencies, and local regulatory authorities; (xiii) all applicable state and local taxing authorities; (xiv) all parties who have requested notice in the Debtors’ chapter 11 cases; and (xv) such other parties entitled to receive notice pursuant to this Court’s December 23, 2008 amended administrative order entered in these cases.<sup>2</sup> Furthermore, the Debtor posted, pursuant to

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<sup>1</sup> Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Purchase Agreement, the Motion, or the Bidding Procedures Order as applicable.

<sup>2</sup> To the extent the Debtor has served any party identified herein via electronic mail, such service of the Sale Notice constitutes good and sufficient notice thereof.

Bankruptcy Rule 2002(d) and 2002(1), the Sale Notice on its website, <http://chapter11.epiqsystems.com/landamerica>.

F. As evidenced by the affidavits of service filed with the Court, and based on the representations of counsel at the Sale Hearing (i) there was proper, timely, adequate and sufficient notice of the Motion, the Sale Hearing and the Sale of the Purchased Assets pursuant to that certain Stock Purchase Agreement, dated as of March 13, 2009 (the “Purchase Agreement”) between the Debtor and Alpine Equity, L.P. (the “Buyer”), (ii) such notice was good and sufficient and appropriate under the circumstances of the Debtor’s case, and reasonably calculated to reach and apprise all holders of Claims and Interests (as hereafter defined) about the Sale and (iii) no other or further notice of the Motion, the Sale Hearing, or the Sale shall be required.

G. A reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded to all interested persons and entities in this case.

H. As demonstrated by: (i) the testimony and other evidence proffered or adduced at the Sale Hearing; and (ii) the representations of counsel made on the record at the Sale Hearing, the Debtor has marketed the Purchased Assets, and conducted the sale process in a non-collusive, fair and good faith manner that was in compliance with that certain order of this Court entered on April \_\_, 2009, establishing bidding procedures and bid protections in connection with sale of certain of the Debtor’s assets (the “Bidding Procedures Order”). A reasonable opportunity has been given to any interested party to make a higher and better offer for the Purchased Assets.

I. The Debtor diligently and in good faith marketed the Purchased Assets to obtain the highest and best offer for its businesses. [The Debtor was prepared to hold an auction, but no Qualified Bids other than the Purchase Agreement were made]. [The Debtor conducted a formal auction in which Qualified Bidders were invited to participate (the “Bidding Procedures”). After the Auction, the Debtor deemed the bid submitted by the Buyer the bid most likely to maximize the value of distributable proceeds to the Debtor’s stakeholders. The Debtor further deemed the bid submitted by [\_\_\_\_\_] (the “Back-Up Bidder”), which is set forth in that certain Stock Purchase Agreement by and between the Debtor and the Back-Up Bidder (the “Back-Up SPA”) to be the bid most likely to maximize the value of its estate in the event the Sale to the Buyer was unable to close.]

J. The terms and conditions set forth in the Purchase Agreement, and the Sale to the Buyer pursuant thereto, each are fair and reasonable and the Purchase Price payable to the Debtor pursuant to the Purchase Agreement constitutes the highest and best offer obtainable for the Purchased Assets. The Debtor has demonstrated that its sale of the Purchased Assets to the Buyer in accordance with the terms of the Purchase Agreement is based on sound business justifications, and such sale is in the best interests of the Debtor’s estate.

K. The Debtor (i) has full corporate or other power to execute, deliver and perform its obligations under the Purchase Agreement and all other documents contemplated thereby or entered into in connection therewith, and the sale of the Purchased Assets by the Debtor has, in each case, been duly and validly authorized by all necessary corporate or similar action, (ii) has all of the corporate or other power and

authority necessary to consummate the transactions contemplated by the Purchase Agreement, and such other documents contemplated thereby or entered into in connection therewith, and (iii) has taken all action necessary to authorize and approve the Purchase Agreement and such other documents contemplated thereby and the consummation by them of the transactions contemplated thereby or entered into in connection therewith. No third-party consents or approvals, other than those expressly provided for in the Purchase Agreement, are required for the Debtor to consummate such transactions.

L. Approval of the Debtor's entry into the Purchase Agreement and the consummation of the Sale at this time are in the best interests of the Debtor, its estate, creditors and other parties in interest.

M. The Debtor has demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the Sale prior to, and outside of, a plan of liquidation in that, among other things, the Sale enables the Debtor to yield the highest value for the Purchased Assets for the Debtor's creditors.

N. The Purchase Agreement and the Sale were negotiated, proposed and entered into by the Debtor and the Buyer without collusion, in good faith, and from arm's-length bargaining positions. Neither the Debtor nor the Buyer has engaged in any conduct that would cause or permit either the Purchase Agreement or any other related agreement to be avoided under section 363(n) of the Bankruptcy Code.

O. Because, among other things, the sale of the Purchased Assets to the Buyer has been proposed in good faith, the Buyer is a good faith purchaser under section 363(m) of the Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby. In the absence of a stay pending appeal, the Buyer will be acting in

good faith within the meaning of section 363(m) of the Bankruptcy Code in closing the Sale at any time after entry of this Order, notwithstanding the provisions of Bankruptcy Rule 6004(h).

P. The Buyer is not an “insider” of the Debtor, as that term is defined under section 101 of the Bankruptcy Code. The consideration provided by the Buyer pursuant to the Purchase Agreement (i) is fair and reasonable, (ii) is the highest and best offer for the Purchased Assets being purchased by such Buyer, (iii) will provide a greater recovery to the Debtor’s estate than would be provided by any other available alternative, and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

Q. The sale of the Purchased Assets to Buyer will be a legal, valid, and effective transfer of the Purchased Assets and will vest Buyer with all right, title, and interest to the Purchased Assets free and clear of all (i) claims against and interests in the Debtor, and (ii) liens, claims or encumbrances against, interests in, and pledges of, the Purchased Assets (collectively, the “Claims and Interests” or if the context so requires, the “Claims or Interests”).

R. The Debtor may sell the Purchased Assets free and clear of all Claims and Interests of any kind or nature whatsoever, because in each case, one or more of the standards set forth in section 363(f)(1) through (5) of the Bankruptcy Code has been satisfied. Those holders of Claims and Interests who did not object, or who withdrew their objections, to the Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of Claims and Interests who did

object fall within one or more of the other subsections of 363(f) of the Bankruptcy Code and are adequately protected by having their Claims and Interests that are secured by liens, security interests and similar encumbrances, if any, attach to the net proceeds of the Sale ultimately attributable to the property against or in which they assert such Claim or Interest, with the same validity, priority and effect that existed immediately prior to the consummation of the Sale and subject to any and all rights, claims and defenses that the Debtor may have with respect thereto.

S. The consideration provided by the Buyer pursuant to the Purchase Agreement is fair and adequate, represents consideration deemed valuable in law and constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and other applicable law. The Purchase Agreement has not been entered into with the intent to hinder, delay or defraud any of the Debtor's creditors or other parties in interest.

T. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. §158(a).

U. In the event the Debtor is unable to consummate the Sale with the Buyer, this Order shall be deemed to apply to the transaction contemplated by the Back-Up SPA and all references herein to (i) the Buyer [(other than provisions related to the terms and conditions of the Bidding Procedures Order, which are inapplicable to the Back-Up Bidder)] shall apply to the Back-Up Bidder and (ii) the Purchase Agreement shall apply to the Back-Up SPA, in each case, with equal force and effect.

NOW THEREFORE, THE COURT HEREBY ORDERS, ADJUDGES, AND DECREES AS FOLLOWS:

### **General Provisions**

1. The Motion, to the extent not already granted by the Bidding Procedures Order, is granted in all respects, as further described herein.

2. The Objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of rights included in such Objections, [except as set forth below,] are overruled on the merits.

### **Approval of the Purchase Agreement**

3. The Purchase Agreement, and all of the documents, agreements (including, but not limited to, the ancillary agreements to be entered into pursuant to the Purchase Agreement), and transactions contemplated thereby or entered into in connection therewith be, and hereby are, approved in all respects. The Debtor is authorized and empowered to execute and deliver, and is empowered to perform under such agreements. The Debtor's sale of the Purchased Assets to the Buyer in accordance with the terms of the Purchase Agreement is hereby approved free and clear of all Claims and Interests in accordance with Section 363(f) of the Bankruptcy Code.

4. Pursuant to section 363(b) of the Bankruptcy Code, the Debtor is authorized and ordered to perform its obligations under and comply with the terms of the Purchase Agreement and all other documents and agreements contemplated thereby or entered into in connection therewith, and to consummate the Sale, pursuant to and in accordance with the terms and conditions of the Purchase Agreement and such documents and agreements.

5. This Order and the Purchase Agreement (including, without limitation, the approval of the Purchase Agreement and the transactions contemplated therein) shall be binding in all respects upon all creditors of and holders of equity interests in the Debtor

(whether known or unknown), any holders of Claims and Interests, all applicable successors and assigns of Buyer, the Debtor, the Creditors' Committees, and any subsequent trustees appointed in the Debtor's Chapter 11 case or upon a conversion to chapter 7 under the Bankruptcy Code and shall not be subject to rejection.

6. The sale of the Purchased Assets to Buyer pursuant to the Purchase Agreement constitutes a legal, valid, and effective transfer of the Purchased Assets, and shall vest the Buyer with all right, title, and interest of the Debtor in and to the Purchased Assets free and clear of all Claims and Interests in accordance with Section 363(f) of the Bankruptcy Code.

#### **Additional Provisions**

7. The consideration provided by the Buyer for the Purchased Assets pursuant to the Purchase Agreement shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

8. The consideration provided by Buyer for the Purchased Assets purchased by Buyer pursuant to the Purchase Agreement is fair and reasonable and the Sale may not be avoided under section 363(n) of the Bankruptcy Code or otherwise.

9. Each and every federal, state, and local governmental agency or department, including without limitation those federal, state, and local governmental agencies and departments listed on Sections 3.5 and 3.6 of the Disclosure Schedules to the Purchase Agreement, is hereby directed to accept any and all documents and instruments necessary and appropriate to record and give effect to the Sale, and to transfer the Purchased Assets to Buyer free and clear of all Claims and Interests. Without limiting the foregoing, this Order is and shall be effective as a determination that, upon

the closing, all Claims and Interests existing against any of the Purchased Assets conveyed to the Buyer have been and hereby are adjusted and declared to be unconditionally released, discharged, and terminated, and shall be binding upon and govern the acts of all entities, including, all filing agents, filing officers, administrative agencies or units, governmental departments or units, secretaries of state, federal, state and local officials and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to the Purchased Assets. Upon the closing, all Claims and Interests existing against any of the Purchased Assets shall be forthwith deemed removed and stricken and all rights, benefits, and privileges associated with any approval or license shall be deemed fully vested in and held by Buyer and LoanCare free of all Claims and Interests.

10. This Court retains jurisdiction to enforce and implement the terms and provisions of this Order, the Purchase Agreement, any waivers and consents thereunder, and of each of the agreements and documents executed pursuant to or in connection therewith in all respects, including, but not limited to, retaining jurisdiction to (a) compel delivery of the Purchased Assets to Buyer, (b) compel delivery of the Purchase Price or performance of other obligations under the Purchase Agreement owed by or to the Debtor, (c) resolve any disputes arising under or related to the Purchase Agreement, except as otherwise provided therein, or any of the agreements and documents executed pursuant thereto or in connection therewith, (d) interpret, implement, and enforce the

provisions of this Order against any person, and (e) protect Buyer against the assertion of any Claims and Interests against the Purchased Assets.

11. The terms and provisions of the Purchase Agreement and all related ancillary documents shall be binding on the parties thereto, and the provisions of this Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtor, its estate and creditors, the Buyer and its affiliates, successors, and assigns, and any affected third parties including, but not limited to, all persons asserting a Claim or Interest in the Purchased Assets, notwithstanding any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, as to which trustee(s) such terms and provisions likewise shall be binding. Nothing in this Order shall relieve Buyer or the Debtor from any liability it may have to the other under any express, unambiguous writing by either party in connection with the Purchase Agreement or the transactions contemplated thereby.

12. The failure specifically to include any particular provisions of any of the Purchase Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Purchase Agreement be authorized and approved in its entirety.

13. The Debtor is authorized to execute the Purchase Agreement or other related documents and agreements contemplated thereby or entered into in connection therewith and to consummate all transactions, and take any other actions, contemplated by, or necessary or appropriate to effectuate, the Purchase Agreement.

14. The Purchase Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto and in

accordance with the terms hereof, without further order of the Court, provided that any such modification, amendment, or supplement does not have a material adverse effect on the Debtor's estate.

15. The provisions of this Order are non-severable and mutually dependent and, pursuant to Bankruptcy Rule 6004, this Order shall not be stayed for 10 days and shall be effective immediately upon entry.

Dated: May \_\_, 2009  
Richmond, Virginia

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UNITED STATES BANKRUPTCY JUDGE

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