

October __, 2009

VIA REGULAR MAIL

All General Unsecured Creditors of LandAmerica Financial Group, Inc. ("LFG")

Re: *In re LandAmerica Financial Group, Inc., et al.*
Case No. 08-35994
United States Bankruptcy Court, Eastern District of Virginia

Dear General Unsecured Creditors of LandAmerica Financial Group, Inc.:

The Official Committee of Unsecured Creditors of LFG (the "LFG Committee") is writing this letter to encourage you to **Vote For And Accept** the Joint Chapter 11 Plan (the "Plan") of LandAmerica Financial Group, Inc. ("LFG") and its affiliated debtors (collectively, the "Debtors"). The members of the LFG Committee unanimously support the plan and strongly recommend that all General Unsecured Creditors of LandAmerica Financial Group, Inc. ("Unsecured Creditors") vote to accept the plan in accordance with the instructions set forth on their ballots.¹

Enclosed with this letter is a copy of the Plan along with the accompanying Disclosure Statement (the "Disclosure Statement") and a ballot (a "Ballot"). To assist you in reviewing these documents, we provide a brief description of each of the documents as well as a summary of the Plan. The LFG Committee has expended significant effort investigating the acts, conduct, assets, liabilities, and financial condition of the Debtors and numerous other matters relevant to the formulation of the Plan for the Debtors. Further, the LFG Committee participated in two mediations with the Debtors and the Official Committee of Unsecured Creditors of LandAmerica 1031 Exchange Services, Inc. ("LES Committee") which hastened the resolution of many inter-estate issues and led to the formulation of the Plan. Based on these activities, the LFG Committee believes that:

- The expected recoveries to LFG Unsecured Creditors under the Plan represent the most favorable outcome under the circumstances as compared to other alternatives;
- The Plan provides for the recovery of claims of unsecured creditors in the most fair and expedited manner possible;
- The Plan contains a mechanism for monetizing currently contingent assets of LFG and its subsidiary debtors;

¹ Each Unsecured Creditor must, however, make its own independent decision as to whether the Plan is acceptable to that Unsecured Creditor before voting to accept or reject the Plan.

- The Plan provides a mechanism for maximizing the value of the Debtors' insurance policies for the benefit of all unsecured creditors of these estates; and
- The Plan provides a mechanism for avoiding continuation of expensive and protracted litigation, including litigation regarding the inter-company issues between LFG and LandAmerica 1031 Exchange Services, Inc. ("LES") and test case litigation involving LES 1031 exchangers.

Explanation of Enclosed Documents

The Plan is the legal contract that will govern the assembly and distribution of the assets of the Debtors. If the Plan is approved (or confirmed) by the Bankruptcy Court, all creditors of LFG will be bound by the terms of the Plan even if they decided not to vote or voted to reject the Plan.

The Disclosure Statement is a summary of the events that caused the Debtors to file for chapter 11 protection, the events that have occurred since the Debtors filed for chapter 11, and the material terms of the Plan. Although you should read the entire Disclosure Statement, we recommend that you pay special attention to Articles [] through [].

The Ballot is the document that allows you to vote to accept or reject the Plan. If you want your vote to accept or reject the Plan to be counted, you must return your original signed Ballot so that it is received by the Debtors' voting agent (the "Voting Agent") no later than **November 12, 2009**. The Voting Agent will not accept Ballots by email or facsimile. The Voting Agent's address is:

LandAmerica Financial Group, Inc., Ballot Processing
c/o Epiq Bankruptcy Solutions, LLC
757 Third Avenue, 3rd Floor
New York, NY 10017

LES Exchangers with a claim (the "Guaranty Claims") against LFG based on a written guarantee agreement executed by LFG (the "Guaranty Exchangers") will have allowed claims against LFG, designated as LFG Class 4. Exchangers who have asserted guarantee claims against LFG but who do not have a written guarantee agreement will not have an allowed claim against LFG.

Guaranty Exchangers have a special Ballot. If Guaranty Exchangers vote to accept the Plan (and do not object to the Plan), they may also elect to receive a distribution equal to 30% of their Guaranty Claim when initial distributions are made, provided they assign any claims to the LFG Trust as indicated on their Ballot. To receive this 30% cash distribution, a Guaranty Exchanger must note such election on the Ballot for LFG Class 4 creditors. If a Guaranty Exchanger does not make this election, the Guaranty Exchanger will receive distributions on account of its Guaranty Claim at the same time other creditors of LFG receive distributions. We cannot predict with any certainty when such distribution may be made by the LFG Trustee and/or whether such distributions will be greater or less than 30%.

The Bankruptcy Court will hold a hearing on **November 18, 2009**, beginning at **11:00 a.m. (EST)** to determine whether to approve (or confirm) the proposed Plan. At that time, counsel for the Debtors and each of the Creditors' Committees will present evidence in support of the Plan.

Under the Bankruptcy Code for the Plan to be approved consensually, at least 1/2 in number of voting creditors and 2/3 in amount of such creditors' claims of each class must vote to accept the Plan. For example, if there is a class with five (5) voting creditors whose claims total \$150, at least three (3) creditors with a total of \$100 in claims must vote to accept the Plan.

If a class of creditors votes to reject the Plan, the Plan may still be confirmed if (a) at least one class of impaired creditors votes to accept the Plan, and (b) the Debtors can establish that the Plan is fair and equitable. This "cramdown" right is expressly provided for in the Bankruptcy Code.

Summary of the Plan Provisions

Plan Distributions

Pursuant to and in accordance with the Liquidation Analysis attached as [] to the Plan and Disclosure Statement, the Plan provides for an **estimated** distribution to LFG Class 3 of 28.3% and LFG Class 4 of 30%. This distribution depends on several factors including the ultimate total amount of Allowed claims as well as recoveries by the LFG Trustee in certain litigation described in sections [] and [] of the Plan. If the current Plan confirmation timeline is kept, we believe an initial distribution to Allowed claims of approximately [%] will occur on or before December 31, 2009.

The Liquidating Trusts

At the mediations, the parties settled claims between LES and LFG, resolved how to jointly pursue third-party claims held by both LES and LFG to maximize recoveries, and resolved how to share any recoveries between the creditors of LES and LFG. As a result of the mediations, the Plan creates two litigation trusts: one for LES and one for LFG (the "LES Trust" and the "LFG Trust,"). The LFG Trust will be administered by an independent trustee selected by the LFG Committee, and the LES Trust will be administered by an independent trustee selected by the LES Committee (collectively, the "Trustees"). Each of the Trustees will be supervised by oversight committees and will select their own post-confirmation counsel.

The LFG Trust will be responsible for prosecuting, among potentially others, causes of action against the Debtors' directors and officers and other professionals (the "D & O Claims") that relate to bad acts that occurred prior to the Debtors' chapter 11 cases that could be asserted by either LES or LFG. Any proposed settlement and/or resolution of these causes of action must be approved by the Bankruptcy Court. The LFG Creditors Committee, with the Debtor's consent, has selected Bruce H. Matson of LeClairRyan, A Professional Corporation, to serve as the LFG Trustee.

The LES Trust will be responsible for prosecuting causes of action related to the auction rate securities (the “ARS Claims”) that could be asserted by either LES or LFG. Any proposed settlement and/or resolution of the causes of action related to the ARS must be approved by the Bankruptcy Court. The LES Creditors Committee, with the Debtor’s consent, has selected Gerard A, McHale, Jr., to serve as the LES Trustee.

As money is obtained from the prosecution and/or settlement of the D & O Claims and/or the ARS Claims, such proceeds shall be shared between the LFG Trust and the LES Trust, for distribution to creditors, as detailed in section [] of the Plan. In addition to these proceeds, creditors of LFG shall receive their pro rata share of the proceeds from other assets of LFG, consisting primarily of other potential litigation claims, recovery on intercompany claims against subsidiaries of LFG, and the liquidation of miscellaneous remaining assets.

We cannot predict with any certainty how long it will take the LFG Trust and the LES Trust to resolve the causes of action discussed above, nor the amount of total Proceeds.

Injunction Against Individual Actions

To ensure that LFG assets are distributed equitably among all LFG Creditors, the Plan proposes to temporarily stop individual creditors of any of the Debtors and shareholders of LFG from asserting claims against the Debtors’ directors and officers if such claims would deplete the Debtors’ insurance policies. Additionally, the temporary injunction recognizes that both LES creditors and LFG creditors have asserted an interest in many of the same assets — including certain litigation and the insurance policies. This temporary injunction is intended to prevent the proceeds of the Debtors’ insurance policies from being depleted on a first come-first served basis.

In any action brought against the Debtors’ directors and officers, the directors and officers likely will be entitled to reimbursement from the Debtors’ insurance companies for the cost of defending actions brought by the Trusts, as well as any actions brought by individual creditors or shareholders. Since the insurance policies contemplate the advancement of legal costs to defend causes of action against directors and officers, we believe the available policy proceeds could be significantly depleted by many millions of dollars in defense costs if individual claims are allowed to proceed against directors and officers in multiple forums. Reimbursements paid to a director or officer for defense costs would therefore reduce the amount of insurance coverage available to satisfy any judgment obtained against such director or officer. As a result, without the temporary injunction serving to limit and control the number of actions brought against directors and officers, a substantial portion of the proceeds of the Debtors’ insurance policies would be utilized to pay for defense costs incurred in multiple lawsuits filed around the country, therefore leaving less to distribute to the creditors of these estates.

The LFG Committee believes that the Plan embodies the most favorable result for the Unsecured Creditors of LFG given the circumstances of the Debtors’ chapter 11 cases. If the Plan is not accepted, the agreements reached in mediation will not be enforceable, leaving many time consuming and expensive issues to resolve before LFG will be able to exit chapter 11 and

creditors will receive distributions. Accordingly, the LFG Committee urges each Unsecured Creditor of LFG to complete and return a ballot voting *in favor of* the Plan. If you have any questions about completing your Ballot, please contact the Voting Agent.

Sincerely,

The LFG Committee