

MEMORANDUM

December 8, 2008

To: Official Committee of Unsecured Creditors (the “Committee”) of LandAmerica
1031 Exchange Services, Inc.

From: Akin Gump Strauss Hauer & Feld LLP (“Akin Gump”)

Re: In re LandAmerica Financial Group, Inc., *et al.* – Summaries of First Day
Motions

This memorandum summarizes motions, applications, and other pleadings (collectively, the “First Day Motions”) filed by LandAmerica 1031 Exchange Services, Inc. (“LES”) and its parent affiliate LandAmerica Financial Group, Inc. (“LandAmerica,” and together with LES, the “Debtors”) on November 26, 2008 (the “Petition Date”) or shortly thereafter in the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division (the “Bankruptcy Court”). Many of the motions described below were heard on either an interim or a final basis by the Bankruptcy Court on the Petition Date. The results of any such hearings are noted below.

A. Background

LandAmerica is a holding company whose subsidiaries are primarily engaged in the underwriting of mortgages. LandAmerica performs its underwriting business through two wholly-owned subsidiaries: Commonwealth Land Title Insurance Company (“Commonwealth”) and Lawyer’s Title Insurance Corporation (“Lawyer’s Title” and together with Commonwealth, the “Underwriters”). LandAmerica has total assets of approximately \$3,325,100,000 and total liabilities of approximately \$2,839,800,000. LandAmerica’s liabilities include a \$100,000,000 unsecured revolving credit facility with SunTrust Bank (“SunTrust”), \$150,000,000 in outstanding notes with Prudential Capital Group, and \$225,000,000 in convertible notes with Bank of New York Mellon as indenture trustee.

LES is a wholly-owned subsidiary of LandAmerica, primarily engaged in acting as a qualified intermediary in like-kind exchanges. Through its facilitation of like-kind exchanges, LES enters into exchange agreements with parties whereby LES takes funds from parties and holds them until the parties are ready to purchase real estate for use in the like-kind transaction. As of the Petition Date, LES had exchange agreements with approximately 450 parties.

B. Motion for Joint Administration

By the Motion for Joint Administration, the Debtors requested that the Bankruptcy Court consolidate the cases of LandAmerica and LES for administrative purposes only. The Bankruptcy Court granted the Motion for Joint Administration, explicitly noting that such consolidation was only for administrative, and not substantive, purposes.

C. Case Management Motion

By the Case Management Motion, the Debtors requested that the Bankruptcy Court authorize certain procedures for managing the Debtors' cases. These procedures include scheduling periodic hearings and form and method of notice. The Bankruptcy Court granted the Case Management Motion.

D. LandAmerica Cash Management Motion

By the LandAmerica Cash Management Motion, LandAmerica requested that the Bankruptcy Court enter an order allowing LandAmerica to continue to use its centralized cash management system. Specifically, when money is provided to the Underwriters, the Underwriters transfer these funds to LandAmerica who then deposits them in one of LandAmerica's bank accounts held with SunTrust. SunTrust objected to the LandAmerica Cash Management Motion on the basis that it may have a right to setoff against the prepetition amounts in the account against the debt LandAmerica owes SunTrust from the revolving credit facility. The Bankruptcy Court overruled the objection and granted the LandAmerica Cash Management Motion, noting that the parties should be able to take a snapshot of the applicable account so the parties can identify prepetition funds if such funds are determined to be liable to setoff may be identified in the future.

E. LES Bank Account Motion

By the LES Bank Account Motion, LES requested (i) that it be allowed, but not directed, to maintain its current bank accounts and not be required to obtain new debtor-in-possession accounts as required by the Bankruptcy Code, and (ii) a waiver of the requirement to post a bond for investment accounts.

The funds of approximately 50 of the 450 like-kind exchange customers of LES were held in segregated accounts (the "Segregated Account Customers"). As of the Petition Date, LES maintained approximately \$138.6 million in segregated accounts with Citibank, N.A. and \$75.3 million in segregated accounts with Centennial Bank. These segregated funds equal or exceed the claims of the Segregated Account Customers. The remaining 400 customers' funds were held in commingled accounts (the "Commingled Customers"). As of the Petition Date, LES maintained the Commingled Customers' funds in (a) treasury bonds worth approximately \$46 million and (b) auction rate securities with a par value of approximately \$201.7 million. These government treasury bonds and auction rate securities are held in one of two brokerage accounts with SunTrust Robinson Humphrey and Smith Barney-Citigroup. The Commingled Customers hold claims against LES equal to approximately \$191.7 million.

LandAmerica utilizes its centralized cash management system to act as a disbursement agent for its various affiliate entities. LES's bank accounts are not linked to LandAmerica's cash management system, and LES only uses LandAmerica's cash management system to process miscellaneous vendor expenses. To the extent LES's expenses are paid through the use of LandAmerica's cash management system, an intercompany payable is created between LES and LandAmerica, which LES then repays at least monthly. The Debtors maintain that none of LES's funds are utilized by LandAmerica or its other affiliates.

The U.S. Trustee Guidelines require chapter 11 debtors to, among other things, close all existing bank accounts and open new accounts designated as debtor-in-possession accounts. By the LES Bank Account Motion, the Debtors request court authorization to continue using LES's existing bank accounts and LandAmerica's cash management system. The Debtors maintain that the continued use of the existing bank accounts will help enable an orderly wind-down of LES's business and reduce confusion that could be created by transferring the funds held in the existing accounts. The Debtors also assert that all intercompany transactions will continue to be documented

The Debtors also request waiver of the requirement to post a bond for any investment accounts which are not insured or backed by the United States. The Debtors allege that such a waiver is appropriate because the funds held in LES's accounts are secure and that posting a bond would pose an unnecessary hardship on the Debtors. The Debtors further maintain that liquidating or moving the funds held in auction rate securities is currently not possible due to the freeze in the auction rate securities market.

On November 28, 2008, the Bankruptcy Court granted the LES Bank Account Motion allowing LES to continue to use its existing bank accounts, LandAmerica's cash management system, and waiving the requirement to post bond for uninsured accounts. The order granting the LES Bank Account Motion states that none of the funds held in LES's bank accounts shall be expended, transferred, commingled, added to, or otherwise modified without court approval. Parties in interest have until December 15, 2008 to object to the waiver of the requirement to post bond for uninsured accounts.

F. Wages Motion

By the Wages Motion, the Debtors requested Bankruptcy Court approval to pay prepetition wages for employees of the Debtors. The Debtors estimate that the unpaid prepetition wages for LES employees is no more than \$22 million. The Bankruptcy Court granted the Wages Motion.

G. Utilities Motion

By the Utilities Motion, the Debtors requested authority to establish procedures to pay and deal with utility companies. One of the utility companies, Dominion Virginia Power ("Dominion"), objected on the basis that it was not properly notified of the Utilities Motion, and the Debtors withdrew the Utilities Motion as to Dominion. The Bankruptcy Court granted the Utilities Motion as to all of the utility companies other than Dominion.

H. Motion for Extension of Time to File Schedules

By the Motion for Extension of Time to File Schedules, the Debtors requested that the Bankruptcy Court extend the time period for which the Debtors are required to file schedules of the Debtors' assets, liabilities, and financial affairs. The Bankruptcy Court granted the Motion for Extension of Time to File Schedules giving the Debtors an additional sixty days to file their schedules of assets and liabilities. Accordingly, such schedules are due February 9, 2009.

I. Motion for Expedited Sale Hearing

By the Motion for Expedited Sale Hearing, the Debtors asked the Bankruptcy Court to schedule an expedited hearing on December 11, 2008 to consider the potential sale of certain of the Debtors' assets. Specifically, the Debtors propose to sell the Underwriters to Fidelity National Financial, Inc. ("Fidelity") for \$298,000,000 in cash in a private sale. Under the sale, Fidelity will also assume \$150,000,000 in intercompany obligations and \$45 million in deferred compensation obligations. The Bankruptcy Court granted the Motion for Expedited Sale Hearing, setting the date for the hearing on the proposed sale for December 16, 2008.