

**THE STATE OF NEW HAMPSHIRE
MERRIMACK S.S. SUPERIOR COURT**

**BEFORE THE COURT-APPOINTED REFEREE
IN RE THE LIQUIDATION OF HOME INSURANCE COMPANY**

DISPUTED CLAIMS DOCKET

In Re Liquidator Number: 2008-HICIL-41

Proof Of Claim Number: CLMN712396-01

Claimant: Harry L. Bowles

Claimant's Response to Liquidator's Objection to

Claimant Harry L. Bowles Motion to Recommit

Claimant Harry L. Bowles submits the following response to the Liquidator's Objection to Claimant's Motion to Recommit dated April 26, 2010.

1. Claimant's Motion to Recommit was filed on April 12, 2010 upon the chance discovery through an Order, issued by this Court on February 19, 2010 in another action, that revealed for the first time that The Home Insurance Company had ceased to conduct insurance business in 1995, but was in a recapitalization mode, as result of which Risk Enterprise Management, Ltd. ("REM") took control of Homes' business. REM controlled the company for eight years until June 13, 2003 when this Court issued an Order of Liquidation.

2. This revelation supported, amplified and provided proof of claimant's allegations of fraud and deceit in this litigation presented to the Referee in his October 27, 2009 Brief Addressing Issues, a copy of which is attached as **EXHIBIT A**.

3. As stated in EXHIBIT A, opinions by the Texas Supreme Court and United States federal courts emphasize the common law maxim that: **Fraud vitiates everything** including all transactions contracts, documents and even judgments.

4. Augmenting Claimant's Brief Addressing Issues was his Motion for Summary Judgment dated November 18, 2009 (attached as **EXHIBIT B**) in which the Liquidator was required to present sworn countervailing facts against Claimant's sworn allegations that, by employing defense counsel to defend Home Policy No. LPL-F871578 in August 2005, TPCIGA:

- acted in disregard of this Court's Order of Liquidation canceling all Home policies and abating all in-progress proceedings against Home on June 13, 2003;
- acted in disregard of the Order of Liquidation prohibiting all Home officials and agents from proceeding with the business of The Home after June 13, 2003 without the express written authorization of the Liquidator;
- acted in disregard of this Court's Order of Liquidation stating that all proceedings against The Home were abated on June 13, 2003, except to the extent that the Liquidator saw fit to intervene and obtained this Court's leave to do so;
- acted in disregard the statute of limitations in 402 – C:28 of the New Hampshire Insurance Code prohibiting institution by the Liquidator of an action or proceeding on behalf of The Home more than 2 years after June 13, 2003;
- acted in disregard of the policy's Exclusions Clause, which clause clearly and unambiguously prohibited application of the policy to cover work performed by parties not named as insureds on the declarations page of the policy. Specifically, the entity

George M. Bishop & Associates, a sole proprietorship, was disqualified as an insured party by the Exclusions Clause.

5. Despite the failure and refusal of the Liquidator's counsel to address the issues of fraud and application of the policy in violation of the Exclusions Clause, the Referee nevertheless issued the January 4, 2010 Order on the Merits, holding that Home and TPCIGA were legally required to defend the Home policy, and that they properly did so by employing defense counsel for Bishop, Peterson & Sharp, P.C. in August 2005, ten years after the malpractice suit was filed and more than two years after the June 13, 2003 Order of Liquidation.

6. It is pleading in bad faith for the Liquidator's counsel to ask this Court to reject Claimant's Motion to Recommit on the basis that the motion was not made within 15 days after the Order on the Merits was issued in the face of the fact that Home (represented by either REM or the Liquidator) was delinquent in failing to appear in the case in Texas with defense counsel for more than ten years after the case was filed, and then refused to:

(a) provide proof that the insurance company undertook to defend the policy in 1995 as was alleged in sworn affidavits by TPCIGA and HICIL officials, or

(b) explain how the intervention in Texas was authorized without a Proof of Claim by an insured party having been filed after the June 2003 date of liquidation, or

(c) explain how the Liquidator could have (or did) authorize an intervention in Texas more than two years after June 2003 in apparent violation of RSA 402-C:28.

7. It is an admission of perjurious testimony that the Liquidator's refused to answer a discovery request for documents to support Mr. Ron Barta's sworn testimony of November 15, 2007 (attached hereto as **EXHIBIT C**) asserting that a defense to Bowles' lawsuit was undertaken by the insurance company after the lawsuit was filed in August 1995. Additional evidence that no action was initiated is by the refusal of REM to respond to two requests by Claimant for information confirming that testimony. Therefore, it must be presumed that Mr. Barta's affidavit is perjurious and worthy of sanctions by this Court.

8. Claimant hereby challenges Mr. Barta's statement in his affidavit (**EXHIBIT C**) that **"even if a defense had not been owed, which Home believed it was, Home was within its rights to afford same even if voluntarily"**. Claimant asserts this statement is an admission that no defense was owed and that this is the Liquidator's position also because Mr. Barta was working under the supervision of the Liquidator when the statement was made.

9. Claimant charges that, in voluntarily providing a defense counsel for the Bishop defendants, Home created a taxable income event under federal Internal Revenue Service regulations for which complete and proper transaction documents would have been required. It is estimated that the free legal service were provided at a cost of more than \$300,000.

10. This Court has a duty to inquire into and investigate whether federal law was violated by Home and/or TPCIGA by providing insurance coverage to the Bishop group voluntarily at no charge in 2005 or at any other time.

11. Claimant has documents to show that Home officials in New York as well as TPCIGA officials in Austin refused to be joined as third-party defendants in the case in Texas. This is

additional evidence to prove that that defense counsel was provided to the Bishop group voluntarily without the written authority of the Liquidator and possibly without his knowledge.

12. Claimant alleges that TPCIGA's provision of defense counsel to intervene in the Texas case was an unauthorized voluntary action by which TPCIGA and the Liquidator participated with Bishop and others in a long-running chain conspiracy to confiscate Claimant's property and launder the ill-gotten funds by and through a pre-arranged summary judgment in the Texas court.

13. Claimant emphatically reiterates his primary argument that the intervention by TPCIGA (or by the Liquidator) in the Texas lawsuit in August 2005 was without any basis whatsoever because all Home policies were cancelled and all proceedings against Home abated by the Order of Liquidation. Therefore, after June 13, 2003 this Court's jurisdiction to consider any matters regarding Home Insurance Policy No. LPL-F871578 was lost and could only be instituted by a Proof of Claim by a person insured under that insurance contract. No such POC was filed.

Conclusion – Request for Relief

14. It is concluded that this Court has no option other than to GRANT Claimant's Motion to Recommit. Claimant requests an order by this Court:

- granting Claimant's Motion to Recommit,
- ruling that the Court's June 13, 2003 Order of Liquidation was unlawfully violated by actions taken to defend Policy No. LPL-F871578 in August 2005 without the required written authorization of the Liquidator and this Court,

- dismissing this disputed claim proceeding without reference to, or judicial notice of, the proceedings in the 151st District Court in Texas initiated by TPCIGA's employment of defense counsel to defend Home Policy No. LPL-F871578 in August 2005.
- granting Claimant all other and further relief to which the Court may deem him justly entitled

Respectfully submitted,



Harry L. Bowles, Claimant

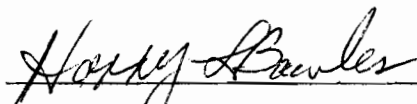
306 Big Hollow Lane

Houston, Texas 77042

Tel 713-983-6779 Fax 713-9836722

CERTIFICATE OF SERVICE

Harry L. Bowles, certify that on this SEVENTH DAY OF MAY, 2010 a true and correct copy of the foregoing was sent by U.S. Mail to the Liquidation Clerk, HICIL, Merrimack County Superior Court, O.O. Box 2880, Concord, NH 12110-2880; to Mr. Eric A. Smith, Rackemann, Sawyer & Brewster, 160 Federal Street, Boston, MA 02110-1700; to Mr. J. Christopher Marshall, Civil Bureau, NH Dept. Of Justice, 33 Capitol Street, Concord, New Hampshire 03301-6397; to Ms. Melinda S. Gehris, 501 Hall Street, Bow, New Hampshire 03304; to Daniel Jordan, Law Office of Daniel Jordan, 4807 Spicewood Springs Road, Building One, Suite 1220, Austin, Texas 78759 , and to New Hampshire State Representative Ingbreton, Redress Grievances Caucus, 107 North Main Street, Concord, NH 03301.



Harry L. Bowles



THE STATE OF NEW HAMPSHIRE
MERRIMACK S.S. SUPERIOR COURT

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CLAIMANT'S BRIEF ADDRESSING ISSUES AS REQUESTED

IN REFEREE'S AUGUST 19, 2009 ORDER

I

Introduction

1. The most recent scheduling order by the Referee is dated August 19, 2009, in which Bowles was requested to submit a brief concerning three topics by September 14, 2009, and the Liquidator was requested to respond by October 14, 2009.
2. Since August 19, there have been several developments of relevance to this proceeding, one being in regard to the submission in the Texas 151st District Court by David E. Sharp, an insured under Home Policy No. LPL-F871578, of an original answer to Bowles' malpractice lawsuit on June 19, 2009 that included a motion for summary judgment.
3. Sharp's answer, attached as **Exhibit A**, includes the same affirmative defense that employed by defendant Bishop, Peterson & Sharp, P.C. when that defendant submitted a second

EXHIBIT A

answer to the lawsuit in 2005, namely that Sharp is entitled to credit and setoff under the Texas Property and Casualty Insurance Guaranty Act, thus asserting his claim to malpractice liability insurance coverage under Home Insurance Policy No. LPL-F871578.

4. Sharp's Motion for Summary Judgment in the Texas court was based on the same set of alleged facts and law employed by defendant BPS and by Defendants George M. Bishop and George M. Bishop & Associates that resulted in summary judgments against Bowles in that Court on June 22, 2006 and on April 12, 2007, respectively.

5. Subsequently, the new presiding judge in the Texas 151st Court (Judge Englehart) proceeded to grant defendant Sharp's motion for summary judgment on July 21, 2009 against Bowles as had his predecessor (Judge Baker) in rulings for defendants BPS, George M. Bishop and George M. Bishop & Associates.

6. Subsequently as well, Bowles filed on October 1, 2009 a Rule 12 motion challenging the authority of defendant Sharp's counsel to appear in defense of Home Insurance Policy No. LPL-F871578 and challenging the Court's jurisdiction to issue orders based on the intervention of TPCIGA and the Liquidator for Home Insurance into the litigation.

7. The response of the attorney for defendant Sharp to the Rule 12 motion (attached as **EXHIBIT B**) is of interest for its failure to refer to any insurance policy whereby the attorney was authorized to invoke intervention by TPCIGA. This is consistent with the refusal of the Marshall & McCracken law firm in 2006 to produce a copy of Home Policy No. LPL-F871578 to show authority under the Texas Insurance Guaranty Act.

8. Consistent with the action taken by Judge Baker on September 27, 2007, Judge Englehart summarily rejected Bowles' Rule 12 motion on October 12, 2009 without inquiry into

TPCIGA's alleged authority to intervene in defense of Home Insurance Policy No. LPL-F871578.

9. The Texas court thereby rejected Bowles' contention that the Merrimack Superior Court has sole jurisdiction over the vital issue of whether or not Home Insurance Policy No. LPL-F871578 was applicable to cover Bowles' lawsuit against BPS and all other defendants in Cause No. 1995-43235.

10. The issue of jurisdiction to decide applicability of the policy to Bowles' lawsuit is now before the Referee for determination and is included in two of the three topics the Referee has requested briefing about, which are:

- A. Whether the disallowance of Mr. Bowles' claim by the Liquidator was proper based on the language of the Home policy issued to Bishop, Peterson & Sharp, P.C.
- B. Whether Mr. Bowles is entitled to recovery on his claim that Home improperly provided a defense to Bishop, Peterson & Sharp, P.C., and
- C. Whether the principle of *res judicata* bars any claim by Mr. Bowles.

II

Argument Re Issue A – Propriety of Claim Rejection

11. The Referee's request is highly ambiguous and difficult to comprehend because the policy does not include language that addresses allowance or disallowance of claims pursuant to the New Hampshire Insurance Code or the Order of Liquidation. Bowles' response may therefore be similarly equivocal.

12. It is obvious that if, as asserted by HICIL'S Mr. Barta and by TPCIGA's Ms. Walker in sworn affidavits, that if Home Insurance "undertook" to provide a defense of the policy when Bowles' lawsuit was filed on the basis of the company's "potential" liability, then the language of the policy is irrelevant. This is true because the policy defines only "covered claims" and **does not define a "potential covered claim"**. If the premise "potential covered claims" had validity,

there could be no language in any insurance policy issued by any company to circumscribe or limit the insurance company's liability.

13. The term "potential covered claim" is an illegal ad hoc device conceived expressly by Mr. Barta and or Ms. Walker or others (possibly convicted felon George M. Bishop) to further a fraudulent scheme to justify an illegal intervention by Home and TPCIGA into Bowles' lawsuit in open violation of the language in the policy limiting coverage **solely to "covered claims"**.

14. Home official Ronald F. Barta in his affidavit stated two rationalizations for Home having undertaken coverage and provided a defense against Bowles' lawsuit: (a) that it was pursuant to the Discovery Clause in the policy; and (b) that the company was "within its rights to afford same even if voluntarily".

15. The Discovery Clause in Policy No. LPL-F871578 is very specific as to the requirements for application of the Clause. To be applicable, an insured party must provide to the company a notice when the insured party first becomes aware that a specific act, error or omission in rendering professional services for which coverage is otherwise provided has been committed. The act must be described, and the injury or damage which has or may result must be stated as well as the circumstances by which the insured first became aware of such act, error or omission. The notice under the Discovery Clause is subject to investigation by the company, and must not violate Part I and II of the claims section of the policy.

16. The Referee, in agreement with the Liquidator's opposition to Bowles' discovery request, has refused to permit disclosure of the alleged Discovery Clause Notice received by Home. Thus, Bowles cannot address this vitally important matter concerning an act of professional malfeasance by BPS that resulted in damage to the client.

17. As to the assertion by Mr. Barta that, even if coverage and provision of defense counsel to BPS against Bowles' lawsuit was not owed, Home had the right to provide same on a voluntary basis, this can only be assumed to be an admission by Home that the policy was not applicable, but that Home was suborned by some undisclosed means (possibly bribery) to provide counsel to defend the policy.

18. Inasmuch as defense of the policy may have been at a cost of hundreds of thousands of dollars, this alleged right of Home Insurance to voluntarily provide coverage where none is owed has absolutely no validity. It is, in fact, an expression of a criminal mindset, signifying that the administration of company business by its officials was without reference to any rules of ethical conduct and responsibilities to policy holders and to laws governing insurance operations in the entire United States.

19. All expenditures by Home to defend policies where a defense is not owed constitute a reduction of assets of the estate available for distribution to creditors by the Liquidator. The Liquidator and the Liquidator's counsel (including the New Hampshire Department of Justice) cannot be seen on pain of public exposure to support and defend Mr. Barta's thesis that Home had a right to voluntarily provide defense counsel for BPS even though this benefit was not owed. This "rob Peter to pay Paul" concept must be emphatically rejected and renounced.

20. The rejection of Bowles claim was based on the Liquidator's recognition that the 151st District Court in Texas had issued final judgments of dismissal of Bowles' lawsuit against BPS, and that, therefore, Bowles has no standing to file a claim with the Liquidator for coverage under Home Policy No. LPL-F871578.

21. **Bowles response to the rejection is and has been that the Liquidator had and has no authority to take judicial notice of the decisions by the judges in Texas because Home**

Insurance and TPCIGA officials (wittingly or unwittingly) were co-conspirators in a scheme of fraud and deceit against Bowles whereby a sham legal proceeding was initiated in which Bowles' rights to due process were totally disregarded and in which the result was a foregone conclusion because of the bias (by subornation) of the court.

22. As stated in Bowles' response to insured David E. Sharp's Motion for Summary Judgment of which all parties received copies:

No Court in this land will allow a person to keep an advantage which he has obtained by fraud. No judgment of a court, no order of a Minister, can be allowed to stand if it had been obtained by fraud. Fraud unravels everything. (Denning LJ), citing *Lazarus Estates Ltd. v. Beasley* [1956] 1QB 702 from the UK; and

The U.S. Supreme Court, state courts and courts around the world have upheld the common law maxim: **Fraud vitiates everything**. Sample cases are: *In re Jose Alejandro Penafiel*, No. 05-0213, Texas Supreme Court (2001) – Texas law holds that fraud vitiates every transaction tainted by fraud; and *United States v. Throckmorton*, 98 US 61,70 (1878) – Fraud vitiates the most solemn contracts, documents and even judgments.

23. Thus, the response to the Referee's request for briefing on whether or not the rejection of Bowles' claim by the Liquidator was proper based on the language in the policy is that it was not proper because Home Insurance committed itself to coverage of the claim while knowing that it was a party to a conspiracy involving a fraudulent scheme in Texas in direct violation of the terms and conditions in the policy and in violation of the Insurance Code of the State of New Hampshire and this Court's June 13, 2003 Order of Liquidation.

III

Argument Re Issue B – Claim for Improperly Providing Defense of Policy

24. Bowles' briefing of this topic consists of the proposed findings of fact and rulings of law distributed to the Referee, to the Liquidator, to the Court and to TPCIGA on September 14, 2009. A copy is attached as **EXHIBIT C**.
25. There has been no response from the Liquidator or from TPCIGA regarding the September FFCL issued by Bowles.
26. The primary irrefutable fact is that Home Insurance Policy No. LPL-F871578 had no applicability to Bowles' prospective lawsuit or to his actual lawsuit pursuant to Section C – Exclusions, Subsections I (a), (b), (c), and (h), and that Home was fully aware of the inapplicability some 18 months prior to August 1995 when the lawsuit was filed.
27. It is undeniable that Bowles' claim that Home and TPCIGA improperly provided defense counsel, either in 1995 or in 2005, to defend Policy No. LPL-F871578 for BPS and for George M. Bishop dba George M. Bishop & Associates is absolutely valid.
28. The damages caused by this tortious interference and tortious abuse of process are exacerbated and compounded by the fact that the insurance company and TPCIGA acted knowingly and intentionally in conspiracy with others to execute a fraudulent scheme to secure false judgments in the Texas court against Bowles by summary judgment in violation of all applicable laws and of his constitutional rights to justice by due process of law.

IV

Argument Re Issue C – Whether the Principle of *Res Judicata* Bars Any Claim by Bowles

29. As stated above, American and Texas law holds that fraud vitiates all things, vitiate meaning per Black's Law Dictionary:

To impair; to make void or voidable; to cause to fail of force or effect. To destroy or annul, either entirely or in part, the legal efficacy and binding force of an act or instrument; as when it is said that fraud vitiates a contract.



30. As stated in a previous pleading submitted to this Court, the fraud to which Bowles has been subjected in all courts regarding all matters connected to convicted felon George M. Bishop since November 1992 has been unrelenting and uninhibited by any regard for moral or ethical or legal principles. All courts have submitted to subordination of office (bribery).

31. The right to obtain a set aside of judgments for fraud in Texas finds expression in Texas Rules of Civil Procedure Rule 329b (f), stating:

On expiration of the time within which the trial court has plenary power, a judgment cannot be set aside by the trial court except by bill of review for sufficient cause, filed within the time allowed by law; provided that the court may at any time correct a clerical error in the record of a judgment and render judgment nunc pro tunc under Rule 316, and may also sign an order declaring a previous judgment or order to be void because signed after the court's plenary power had expired.

32. This court's recognition that the summary judgment orders sought and obtained by TPCIGA's employed counsel in defense of Home Policy No. LPL-F871578 was the result of fraud and conspiracy will invoke Bowles' right to void those orders by Bill of Review. Any belief or suggestion to the contrary must be seen as anarchic and agreement that judicial corruption cannot be challenged.

33. The ultimate fraud in this case is the Liquidator's rejection of Bowles' claim based on the summary judgments issued by the 151st Court in Houston for BPS against Bowles in June 2006 and for George M. Bishop dba George M. Bishop & Associates in April 2007.

34. These judgments were obtained by fraud involving unauthorized intervention into Bowles' lawsuit in August 2005 by the Liquidator (aka Home Insurance Company in Liquidation - HICIL) and TPCIGA to defend Home Policy No. LPL-F871578.

35. The Liquidator's taking of judicial notice of proceedings in the Texas court indicates that the New Hampshire Insurance Commissioner, who is the Liquidator, fails and refuses to recognize New Hampshire statutory law (the New Hampshire Insurance Code) and this Court's

Order of Liquidation as controlling to void and nullify the result of the intervention, namely, the summary judgments issued against Bowles without due process in violation of Bowles' constitutional right of access to the courts to obtain a redress of grievances.

36. This Court cannot be seen as recognizing a scheme of fraud and conspiracy in New York and Texas as overriding New Hampshire statutory law and this Court's Order of Liquidation in regard to the liquidation of The Home Insurance Company.

The Res Judicata Fraud

37. In rejecting Bowles' subject claim, the Liquidator alleges that *res judicata* prevents Bowles from making any claims because BPS obtained a summary judgment in Texas against Bowles in June 2006 based on a **Third-Party Intervention and Petition in Intervention** by BPS in Cause No. 1991-25939 that occurred in April and May 1994 in the 190th District Court in Texas. (See BPS Motion for Summary Judgment dated November 18, 2005 and BPS Third-Party Intervention attached as **EXHIBIT D**).

38. **Res judicata is defined in law as a thing judicially acted upon or decided that constitutes a bar to any subsequent action involving the same claim, demand or cause of action.**

39. **The Texas 190th Court ruled that BPS had obtained a Rule 97(a) judgment against Bowles dated July 14, 1994 and severed the judgment from Cause No. 1991-25939 into Cause No. 1991-25939-A by order dated April 10, 1995. This was stated to be a final judgment in favor of BPS in the 190th Court.** (See severance order attached **EXHIBIT E**).

40. **However, there was an intentional and critical failure of disclosure by the Home-TPCIGA attorney. . Cause No. 1991-25939 -A did not remain a final judgment in the 190th**



Court. On November 1, 1995 George Bishop filed a second suit in intervention in Cause No. 1991-25939 to claim unpaid attorney fees. (See Bishop filing attached EXHIBIT F).

41. To settle this second suit in intervention by Bishop, Cause No. 1991-25939-A was ordered transferred to the 55th District Court on May 28, 1996 by Administrative Judge Sharolyn Wood. (See transfer order attached EXHIBIT G).

42. On June 25, 1996 Charles N. Schwarz (defendant in Cause No. 1991-25939) filed a Plea in Intervention in Cause No. 1991-25939-A disputing the claims made by Bishop for distribution of funds. (See Schwarz pleading attached EXHIBIT H).

43. On August 9, 1996 there was a transfer by Administrative Judge Sharolyn Wood of Cause No. 1991-25939 as an active case from the 334th District Court into the 55th District Court, the same court in which Cause No. 1991-25939-A resided. (See transfer order attached EXHIBIT I).

44. On August 30, 1996 the Texas 55th District Court entered its order adjudicating the Plea in Intervention in Cause No. 1991-25939-A filed by Charles N. Schwarz and distributing funds, and simultaneously ordering a distribution of funds in the registries of the various courts. (See copy of order attached EXHIBIT J).

45. The exhibits in the above paragraphs 37 through 44 irrefutably prove that the grounds on which BPS filed its successful Motion for Summary Judgment on November 18, 2005 are false and fraudulent for reason that Cause No. 1991-25939-A (which grew out of the Bishop and BPS Petition in Intervention) was never subjected to a final judgment prior to Bowles having filed his malpractice suit.

46. This vital fact voided and nullified its employment to support the court's Rule 97(a) Res Judicata judgment. It is prima facie evidence of fraud by failure of disclosure.



47. All this information and the documents were placed before the court in Texas in Bowles' Motion for Summary Judgment filed against George M. Bishop on October 23, 2006, **which motion was ignored and refused consideration** while Bishop's false Motion for Summary Judgment in April 2007 was granted based on the same set of facts and law by which BPS obtained its summary judgment in June 2006.

48. It is obvious that HICIL aka the Liquidator and TPCIGA were and are fully aware that the attorney they employed to defend Home Policy No. LPL-F871578 could only prevail in the Texas court by employing fraud and deceit, and that they therefore refused to come forward as third-party defendants.

49. Inexplicably, the Liquidator, who is the Insurance Commissioner of the State of New Hampshire, and officials of Texas Property and Casualty Insurance Guaranty Association, a quasi-state agency, engaged in this horrific subornation of a Texas court by blatant conspiratorial fraud and deceit. The only logical explanation is that there was subornation of office involved.

50. Further, the *res judicata* scam by which Bowles was victimized is merely one aspect of the overall conspiracy and fraud accompanying the subornation of the Texas court to render false summary judgments for BPS. The above does not even go into the subterfuge engaged in by Bishop to obtain insurance coverage from Home Insurance.

51. **A capstone to all this fraud and corruption is that on April 29, 1999 Judge Sherry Radack of the 55th District Court issued an Order of Dismissal For Want of Prosecution dismissing Cause No. 1991-25939-A, apparently at the suggestion of George M. Bishop.** (See copy of order attached as **EXHIBIT K**).

52. The record in the Texas courts show conclusively that neither Cause No. 1991-25939 nor Cause No. 1991-25939-A were ever terminated by appealable final judgments consistent with

Rule 301, T.R.C.P. Exhibit I attached proves specifically that Cause No. 1991-25939 remained active in August 1996, contrary to the fraudulent rulings by the Texas courts that the case was terminated by summary judgment on February 12, 1996.

53. A blatant fraud given credence by the Liquidator in denying Bowles' claim lies in that BPS provided legal services to Bowles. Clearly, all services were provided by George M. Bishop under his solo law practice, George M. Bishop & Associates, a law practice never insured by Home Insurance. This is proven by the fact that BPS never submitted a bill of expenses to Bowles on BPS letterhead. (See Bishop expense billing in Exhibit D).

54. Nevertheless, the Rule 97(a) summary judgment against Bowles rendered in July 1994 was issued on the basis that the bill of expenses submitted on George M. Bishop & Associates letterhead were expenses incurred by BPS. BPS had been dissolved a year earlier and had rendered no services to Bowles. Home and TPCIGA and their attorney defending Policy No. LPL-F871578 were aware of this from Bishop's letter dated December 29, 1993.

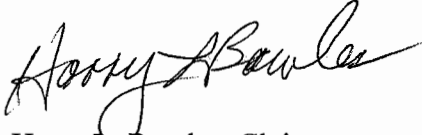
55. The sole reason that Bishop joined BPS as a party to the employment contract with Bowles and falsely maintained BPS as a purported party to the Settlement Agreement in Cause No. 1991-25939 was to defraud The Home Insurance Company. When the company cancelled the malpractice policy for his chronic professional misconduct, the company nevertheless illegally granted coverage indicating that a secret deal had been made that was not disclosed to Bowles. The company and TPCIGA cannot escape being held as unethical and morally corrupt based on the record.

Conclusion

56. Should the parties chose to respond, Bowles requests the Liquidator's response to this brief be by Liquidator's counsel and by separate counsel representing HICIL's Mr. Barta in New York and by TPCIGA's counsel in Texas.
57. Above considered, it is the duty of the Referee to report to the Court that a huge injustice has been perpetrated against claimant Harry L. Bowles through a fraudulent conspiracy involving The Home Insurance Company, and HICIL, and TPCIGA and others in Texas.
58. Company officials committed severe violations of the New Hampshire Insurance Code and the Court Order of Liquidation. There was malfeasance, nonfeasance and misfeasance, and breaches of fiduciary duty, by these officials and the misconduct was done knowingly and with malice in planned conspiracy with felon George M. Bishop.
59. Bowles suffered damages and has a right to seek compensation for the Liquidation Estate and from TPCIGA for tortious conduct, including, but not limited to conspiracy, fraud, unauthorized interference in official proceedings, abuse of process, and breach of fiduciary duty.
60. Should the Liquidator and the Referee have doubts about the ability of George M. Bishop to suborn Texas courts and officials to his benefit, Bowles demands the right to submit to the court a file of public and private information supporting the allegations of subornation of judicial and government officials involved in this case.
61. The fraud in this case has been proven and Bowles urges an immediate order validating his claim. In the alternative, considering the fraud that rises to the level of an interstate RICO operation with hundreds of thousands of dollars funded by State agencies to protect a convicted felon in person of Bishop, Bowles requests the referee to agree to submission of the case to the U.S. Justice department for investigation. The Justice department has subpoena power to obtain

all records appropriate for a complete investigation into Bowles allegations of an interstate RICO operation by judicial and government officials to benefit a convicted felon.

Respectfully submitted,



Harry L. Bowles, Claimant

306 Big Hollow Lane

Houston, Texas 77042

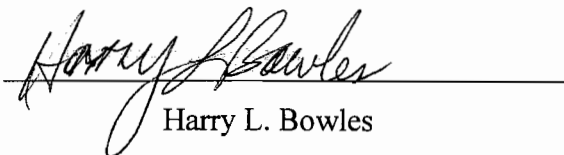
Tel 713-983-6779

Fax 713-983-6722

Attachments

CERTIFICATE OF SERVICE

Harry L. Bowles, certify that on this TWENTY SEVENTH DAY OF OCTOBER, 2009 a true and correct copy of the foregoing was sent by mail and to Mr. Eric A. Smith, Rackemann, Sawyer & Brewster, 160 Federal Street, Boston, MA 02110-1700; to Mr. J. Christopher Marshall, Civil Bureau, NH Dept. Of Justice, 33 Capitol Street, Concord, New Hampshire 03301-6397; to Ms. Melinda S. Gehris, 501 Hall Street, Bow, New Hampshire 03304; and to Daniel Jordan, Law Office of Daniel Jordan, 4807 Spicewood Springs Road, Building One, Suite 1220, Austin, Texas 78759. Copies of all documents were transmitted to the Liquidation Clerk, HICIL, Merrimack County Superior Court, P.O. Box 2880, Concord, NH 03302-2880, as well as to George M. Bishop, to David E. Sharp's attorneys MehaffyWeber, P.C. and to the 151st Court in Houston.



Harry L. Bowles

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CLAIMANT'S MOTION FOR PARTIAL SUMMARY JUDGMENT ON ISSUE OF
SINGULAR OVERRIDING INTEREST IN THIS CASE, NAMELY, THE
APPLICABILITY OF HOME POLICY NO. LPL-F871578 TO COVER BOWLES'
MALPRACTICE LAWSUIT

Foreword

1. Comes Claimant Harry L. Bowles to motion this Referee and this Court for a summary judgment pursuant to Section 491:8-a of the New Hampshire Rules of Court governing proceedings in the Superior Courts.
2. The statute states: "A party seeking to recover upon a claim . . . may, at any time after the defendant has appeared, move for summary judgment in his favor upon all or any part thereof".

History

3. In August 1995 Claimant Bowles filed a legal malpractice lawsuit in the 151st District Court in Houston, Texas against Bishop, Peterson & Sharp, P.C. ("BPS") and against its three

attorney - shareholders individually, George M. Bishop, Charles Peterson and David E. Sharp. Also named in the suit was George M. Bishop & Associates, a solo law practice of George M. Bishop not registered in the records of the Texas Secretary of State as a multi-member law firm.

4. Service on BPS, George M. Bishop & Associates was perfected on December 28, 1995 by serving George M. Bishop, president of BPS and principal of the solo law practice.

5. Answers to Bowles' lawsuit for BPS, George M. Bishop & Associates and by George M. Bishop individually were transmitted to the 151st District Court on January 26, 1996 by George M. Bishop on George M. Bishop & Associates letterhead. BPS employed no outside defense counsel to submit answers in January 1996 nor at any time thereafter.

6. Bowles proceeded to prosecute the action in 2002 with discovery requests to Bishop per T.R.C.P., including requests for admission and requests for disclosure of any applicable insurance coverage. Bishop refused to answer the request for insurance coverage then, as he refused to do in subsequent request in the following years, even when held in contempt of court for discovery rule violations.

7. In August 2005, without a motion for substitution of counsel, the Houston law firm Marshall & McCracken, P.C. ("M&M") made appearance as defense counsel to represent BPS solely in an "original answer" and declared its right to compensation by the Texas Property and Casualty Insurance Guaranty Association ("TPCIGA").

8. In June 2006, M&M was successful in obtaining a summary judgment for BPS against Bowles in the 151st Court on an **unsworn** motion signed only by an M&M attorney. This judgment was immediately severed from the main suit over Bowles' objections. Bowles' own sworn motions for summary judgment were refused consideration. Meanwhile, M&M refused to produce a copy of an insurance policy authorizing its intervention in the suit, and Bowles' filed a

motion per Rule 14, T.R.C.P. challenging the firm's authority to appear in defense of an alleged insurance policy purportedly being administered by TPCIGA.

9. It was not until September 2006 that Bowles was able to force M&M and TPCIGA to produce a copy of the insurance contract that M&M and TPCIGA stated as applicable to authorize TPCIGA's employment of M& M to represent BPS in defense of said policy. The policy produced was Home Insurance Policy No. LPL-F871578-1.

10. The 151st Court, ignoring Bowles objections and refusing to recognize that the Home policy had lapsed in February 1994 (seventeen month prior to when Bowles' lawsuit was filed) proceeded to rule that M&M was authorized to defend the policy, thus affirming the Court's summary judgment issued against Bowles in June 2006.

11. Bowles reacted to this injustice by filing two successive actions in the Federal Court in Austin, Texas against Home Insurance Company in Liquidation ("HICIL") and TPCIGA, charging damaging abuse of process, conspiracy and tortious interference. Employing Texas defense counsel, these defendants were able to obtain dismissal of the suits based on their argument that they were immune from suit under the Order of Liquidation issued on June 13, 2003 by the Merrimack County Superior Court. They invoked Section (n) (2) of the Order, which permanently enjoins all persons from commencing or continuing any judicial, administrative, or other action against The Home or the Liquidator after June 13, 2003, other than by filing a Proof of Claim with the Liquidator. (See copy of Order of Liquidation attached as **EXHIBIT A**).

12. But the Order of Liquidation is self-contradictory. Section (e) of the Order cancelled all Home insurance contracts effective 30 days after June 13, 2003, including Policy No. LPL-

F871578. If, for the sake of argument, it were assumed that the policy was in force on June 13, 2003 (which Bowles denies) then it was certainly no longer in force after July 13, 2003.

13. Section (j) of said Order of Liquidation prohibited (prohibits) Home officials from proceeding with Home business, except upon the express written authorization of the Liquidator.

14. Section (m) of said Order of Liquidation abated all actions and all proceedings against Home, whether in New Hampshire or elsewhere, in accordance with statute RSA 402-C:28 and RSA 402-C:5, except to the extent the Liquidator saw fit to intervene in and obtained leave of the Superior Court to do so.

15. RSA 402-C:28 established a 2-year statute of limitation (after June 13, 2003) on the Liquidator for the institution of an action or proceeding on behalf of the estate of the insurer in any cause of action.

16. Bowles' federal court actions against HICIL and TPCIGA resulted in opposing affidavits from HICIL and TPCIGA officials stating that Home "undertook" to defend Policy No. LPL-F871578-1 immediately after Bowles' lawsuit was filed in August 1995.

17. Bowles denied (and denies) the allegation that the Home "undertook" to defend the policy at any time before June 13, 2003, on the basis of (a) the record in the Texas court showing that there was no abatement of the action due to the liquidation and no request from the Liquidator for leave to intervene, (b) by the admitted fact that BPS never filed a Proof of Claim with the Liquidator after June 13, 2003, and (c) by information received from the Daniels-Head Insurance Agency stating it had no obligation (per RSA 402-6:26) to give notice of the withdrawal of the insurer from the defense of any case in which Home was interested

18. The April 2, 2009 Order by the federal court in Austin states on page 11 thereof:

As for HICIL, the Order of Liquidation entered by the New Hampshire court unambiguously enjoins commencing any actions against HICIL except through the

liquidation process in New Hampshire. Bowles himself recognizes the existence of the provision, although he challenges “its hypocrisy in permanently banning actions against” HICIL. He contends the Court should not extend comity to the New Hampshire court’s order simply because the order “works to protect tortfeasors from protection for fraud and deceit while preventing victims from seeking and obtaining relief”. But Bowles is not prevented from obtaining relief against HICIL under the Order of Liquidation, he simply has to do it through the liquidation process in New Hampshire (which he is presently doing, and is the basis of his request for suspension). [See Exhibit W to Liquidator’s Section 15 submission dated 11-5-09].

19. The federal court fails to explain how this Superior Court can dispose of Bowles’ complaint against co-tortfeasor TPCIGA without filing a new federal court action or a separate state court action. But it is obvious that the court recognized the inherent contradiction in the HICIL and TPCIGA argumentation that Bowles was permanently enjoined by Section (n) the Order of Liquidation while they were free to openly violate Sections (e), (j) and (m) of the same Order.

20. In his recent Rule 15 Submission in this court, the Liquidator (having assumed the identity of HICIL in New York) has abandoned the “I can sue you, but you can’t sue me” tactic used successfully in the federal court. In this new filing the Liquidator argues that Bowles’ “improper provision of a defense claim” would be classified as a “pre-liquidation tort claim” with a very low payment priority by the Liquidator. This pre-liquidation argument is quaint to say the least, considering that Home and TPCIGA never appeared in the Texas court before August 2005, 27 months after the date of liquidation. This argument also dismisses the fact that the Liquidator (aka HICIL) and TPCIGA bear joint and several damage liability for fraudulently and tortiously providing a defense of an inapplicable insurance contract in violation of the terms of the policy and in violation of the Order of Liquidation.

21. The Referee in this case has agreed to adjudicate the issue of whether or not Bowles has a valid claim against the Liquidator and TPCIGA for improperly providing a defense of Policy No.

LPL-F871578 for BPS against Bowles in Cause No. 1995-43235 in the Texas 151st District Court. This is in accordance with the federal court's ruling that this is an issue resolvable in New Hampshire by and through the liquidation process in accordance with the Order of Liquidation and the Restated and Revised Order Establishing Procedures Regarding Claims Filed with The Home Insurance Company in Liquidation.

22. The primary and overriding issues in this regard are whether or not:

(1) Policy No. LPL-F871578 was ever applicable to cover Bowles' lawsuit Cause No. 1995-43235 pursuant to the provisions of the policy, and

(2) whether or not the Liquidator and TPCIGA were authorized to initiate a defense of the policy in August 2005, twenty six months after the June 13, 2003 date of liquidation.

**Summary Judgment Proof That Policy LPL-F871578
Was Never Applicable to Cover Bowles' Lawsuit**

23. Bowles' lawsuit filed in the Texas 151st District Court on August 25, 1995. Its styling is Harry L. Bowles, Plaintiff versus George M. Bishop, Charles K. Peterson and David E. Sharp, each in their individual capacities, and George Bishop and Associates, and Bishop, Peterson and Sharp, P.C., each a professional law corporation and/or an assumed name of the named individuals as a law firm, et al. A copy of the lawsuit is attached as **EXHIBIT B**.

24. Home Insurance Policy No. LPL-F871578 states in pertinent part in Section C- Exclusions as follows:

I. This policy does not apply:

(a)

(b) to any claim made by **or against** any business enterprise not named in the Declarations which is owned by the insured or in which the insured is a partner or employee, or which is controlled, operated or managed by the insured, either individually or in a fiduciary capacity, including the ownership, maintenance or use of any property therewith, or to any claim made against the insured solely because the insured is a partner, officer, director, stockholder employee or employee of any firm or corporation not named in the Declarations.

(c), (d), (e), (f), (g),

(h) to any claim based upon or arising out of the work performed by the insured, with or without compensation, with respect to any corporation, fund, trust, association, partnership, limited partnership, business enterprise or other venture, be it charitable or otherwise, of any kind or nature in which any insured has any pecuniary or beneficial interest, irrespective of whether or not an attorney-client relationship exists, unless such entity is named in the Declarations.

25. By the letter dated December 29, 1993 to Home Insurance Company from George M. Bishop & Associates, Home was informed that BPS had been dissolved that summer, and that all work performed after the dissolution was performed by George M. Bishop & Associates as the legal representative for BPS in the underlying action, Cause No. 1991-25939 in the Texas 190th District Court. (Copy attached hereto as **EXHIBIT C** and also attached as Liquidator's EXHIBIT C in the Rule 15 Submission filed 11-5-09).

26. The December 29, 1993 letter to Home from Bishop & Associates (aka George M. Bishop) is in the nature of a future claim by Bishop against Home Policy No. LPL-F871578-1 consisting of a malpractice lawsuit expected to be filed against BPS at some future date.

27. EXHIBIT B, Bowles' August 1995 legal malpractice lawsuit, on its title page and in its text, shows beyond doubt that the lawsuit was primarily a complaint against George M. Bishop & Associates (aka George M. Bishop) for work done by George M. Bishop.

28. Bowles would show the Referee that in 2006 in the Texas 151st District Court, George M. Bishop gave a sworn statement that BPS ceased representing Bowles in underlying Cause No. 1991-25939 prior to October 23, 1993, the date of a hearing and Settlement Agreement in the Texas 190th District Court.

29. Bowles asserts that at no time prior to July 2009 did he know that BPS had ceased to exist in the summer of 1993 and that all representation in Cause No. 1991 thereafter was by George M. Bishop & Associates.



30. The title page of EXHIBIT B, Bowles' malpractice lawsuit, is proof beyond doubt that Policy No. LPL-F871578 was not applicable to cover Bowles' lawsuit for claimant Bishop, due to the operation of **Section C (I) (b) of the EXCLUSION CLAUSE** quoted above. Bowles suit is obviously a claim against George M. Bishop & Associates, a law firm not named in the Declarations. (See copy of Declarations page of Policy No. LPL-F871578-1 issued 1-21-1993 attached as EXHIBIT C). Obviously, the policy was not applicable to cover Bowles suit.

31. Further, Policy No. LPL-F871578-1 is doubly rendered inapplicable to cover Bowles' lawsuit by operation of **Section C (I) (h) of the EXCLUSION CLAUSE** quoted above. Clearly, Bowles' suit is a complaint based upon and arising out of work performed by George M. Bishop with respect to George M. Bishop & Associates, an entity not named in the declarations, in which work all of the insureds had a pecuniary or beneficial interest. That pecuniary and beneficial interest is evidenced in the two suits in intervention filed by Bishop in Cause No. 1991-25939, one against Bowles in April 1994, and the other against Charles N. Schwartz on November 2, 1995. This is proof that the policy could not be applied to cover Bowles' suit.

**Summary Judgment Proof That Neither Home Nor TPCIGA Home Were Authorized to
Initiate a Defense of Policy No. LPL-F871578-1 to BPS in August 2005**

32. As stated in the federal court order of April 2, 2009, the controlling law regarding the issue of a wrongful and unauthorized defense of Policy No. LPL-f871578 provided by Home and TPCIGA is the New Hampshire Revised and Restated Order Establishing Procedures Regarding Claims Filed With the Home Insurance Company In Liquidation.

33. Under that Order Establishing Procedures, RSA 402-C:28 required the Liquidator to abate all actions involving an impaired insurer to be abated, unless, in the Liquidator's judgment,

in an action outside New Hampshire, protection of the estate of the insurer necessitates an intervention in an action, he may intervene with the approval of the court (presumably the court in the foreign state). No other person or party is authorized to intervene in lawsuits ongoing outside the State of New Hampshire. Furthermore, the Liquidator is bound under RSA 402-C:28 by a Statute of Limitations which states that the Liquidator may, within 2 years subsequent to an order of liquidation, institute an action or proceeding in behalf of the estate of the insurer.

34. There is absolutely no evidence that the Liquidator made a judgment that the estate of Home Insurance required protection in the ongoing action in Texas. There was no request to the 151st District Court for leave to intervene, otherwise Bowles would have been given notice and the court record would contain the request and approval.

35. Furthermore, the 2-year Statute of Limitations had run when, in August 1995, the Liquidator and TPCIGA employed defense counsel for BPS in the Texas case and initiated a summary judgment proceeding against Bowles.

36. Bowles contends on sworn motion that there is no genuine issue of material fact regarding the Liquidator's alleged intervention in Cause No. 1995-43235 in the Texas 151st District Court in defense of Policy No. LPL-F871578-1. It is clear that RSA 402-C:28 could not be, and was not, invoked by Liquidator. Therefore, the Referee cannot render a judgment that Home, by and through TPCIGA, properly provided a defense of Home Policy No. LPL-F871578 in Cause No. 1995-43235 in Texas. Home and TPCIGA were unauthorized officious intermeddlers in the case.

Conclusion – Request for Relief


37. Above considered, Bowles requests this Motion for Partial Summary Judgment be granted on the issue of the applicability of Home Policy No. LPL-F871578-1 to provide coverage of Bishop's claim against the policy allegedly submitted on December 29, 1993.

38. Bowles also requests grant of this Motion for Summary Judgment on the issue of the alleged intervention by the Liquidator in defense of Policy No. LPL-F871578-1 pursuant to RSA 402-C:28. Bowles asserts that the Liquidator cannot show proof that Home provided a defense of the policy prior to the date of liquidation, or that he acted to provide a defense of the policy after the date of liquidation on June 13, 2003 and within two years following that date.

39. Bowles requests a judgment by the Referee that the Liquidator (aka HICIL) transmitted to TPCIGA a claim that it at all times knew had no validity, and that the Liquidator is therefore liable for the damage resulting from the unauthorized application of the policy as a defense against Bowles' malpractice lawsuit against BPS and George M. Bishop & Associates.

40. Bowles requests all other and further relief to which this Court may deem him justly entitled.

Respectfully submitted,


Harry L. Bowles, Claimant

306 Big Hollow Lane

Houston, Texas 77042

Tel 713-983-6779 Fax 713-983-6722

Attachments - Affidavit

CERTIFICATE OF SERVICE

Harry L. Bowles, certify that on this 18TH DAY OF NOVEMBER, 2009 a true and correct copy of the foregoing was sent by priority mail to Mr. Eric A. Smith, Rackemann, Sawyer & Brewster, 160 Federal Street, Boston, MA 02110-1700; to Mr. J. Christopher Marshall, Civil Bureau, NH Dept. Of Justice, 33 Capitol Street, Concord, New Hampshire 03301-6397; to Ms. Melinda S. Gehris, 501 Hall Street, Bow, New Hampshire 03304; and to Daniel Jordan, Law Office of Daniel Jordan, 4807 Spicewood Springs Road, Building One, Suite 1220, Austin, Texas 78759; and to the Liquidation Clerk, HICIL, Merrimack Co. Superior Court, P O Box 2880, Concord, NH 02110-2880.



Harry L. Bowles

THE STATE OF NEW HAMPSHIRE
MERRIMACK S.S. SUPERIOR COURT

BEFORE THE COURT-APPOINTED REFEREE
IN RE THE LIQUIDATION OF HOME INSURANCE COMPANY

DISPUTED CLAIMS DOCKET

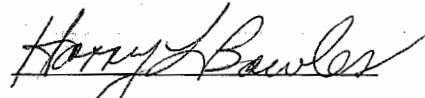
In Re Liquidator Number: 2008-HICIL-41
Proof Of Claim Number: CLMN712396-01
Claimant: Harry L. Bowles

STATE OF TEXAS § VERIFICATION
COUNTY OF HARRIS §

Comes Claimant Harry L. Bowles to make this affidavit of truth:


I am Harry L. Bowles, a resident of Harris County, Texas. I am over the age of 18 years and am fully qualified, capable and competent to make the following declaration concerning litigation of the subject claim before the Superior Court in Merrimack County, New Hampshire.

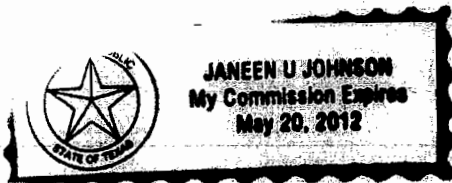
I attest and affirm that I prepared the attached Motion for Summary Judgment, and that I have personal knowledge of the matters contained therein. I certify that supporting exhibits are authentic copies of original documents and that all statements and information in the motion are true and correct.


Harry L. Bowles

ATTESTATION

SWORN AND SUBSCRIBED BEFORE ME, the undersigned authority, on this 18 day of November, 2009 in Harris County, Texas.


Notary Public, State of Texas





UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

HARRY L. BOWLES

Plaintiff,

VS.

CIVIL ACTION NO. 1:07CV740

HOME INSURANCE COMPANY
IN LIQUIDATION (NY); AND TEXAS
PROPERTY & CASUALTY INSURANCE
GUARANTY ASSOCIATION

Defendants.

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AFFIDAVIT OF RONALD F. BARTA

STATE OF NEW YORK §
 §
COUNTY OF NEW YORK §

BEFORE ME, the undersigned authority, on this date personally appeared RONALD F. BARTA, personally known to me, who, being by me first duly sworn upon his oath, deposed and stated the following:

1. My name is RONALD F. BARTA. I am a Senior Manager for The Home Insurance Company in Liquidation (improperly named as Home Insurance Company in Liquidation (NY)) (“HICIL”). I am over the age of eighteen (18) years, have never been convicted of a felony, and am fully competent to make this affidavit.

2. On June 11, 2003, The Home Insurance Company (“Home”) was declared insolvent and an Order of Liquidation was entered by the Superior Court for the State of New Hampshire,

Merrimack County, said order having been vacated and superseded by Order of Liquidation dated June 13, 2003.

3. Home is a New Hampshire corporation with its statutory offices in Manchester, New Hampshire and its principal office in New York. Home is a New Hampshire insurance company subject to regulation by the New Hampshire Insurance Department.

4. In my capacity as Senior Manager for HICIL, I have responsibility for the files relating to the Professional Liability Insurance Policy issued by Home to Bishop Peterson & Sharp, P.C. (the "Insured Law Firm") effective January 24, 1992 to January 24, 1994, Policy No. LPL-F871578 ("Professional Liability Policy"). Additionally, in my capacity as Senior Manager for HICIL, I have responsibility for the files relating to the lawsuit filed against HICIL by Harry L. Bowles ("Bowles"). Included within the scope of the files for which I was and am responsible, are all materials relating to the claims of Bowles in the above-entitled and numbered cause. All the statements herein are within my personal knowledge, are derived from the file records of Home and/or HICIL and my review thereof, and are all true and correct.

5. I am one of the custodians of the claim file records of HICIL. Attached hereto are 7 pages of records from HICIL. These said 7 pages of records are kept by HICIL in the regular course of business, and it was the regular course of business of HICIL for an employee or representative of HICIL, with knowledge of the act, event, condition, opinion, or diagnosis, recorded to make the record or to transmit information thereof to be included in such record; and the record was made at or near the time or reasonably soon thereafter. The records attached hereto are the original or exact duplicates of the original.



13. Pursuant to the provisions of Subchapter G of the Texas Property and Casualty Insurance Guaranty Act (the "Act"), Home forwarded its entire claim file to the Guaranty Association because the pending lawsuit potentially constituted a covered claim under the Act.

14. Pursuant to the Act, the Guaranty Association undertook to discharge its statutory obligation to defend the Insured Law Firm.

15. Having forwarded the claim file to the Guaranty Association as it was required to do under the Act, Home has had no further direct involvement with the lawsuit by Bowles against the Insured Law Firm.

16. By virtue of paragraph (n) of the Order of Liquidation, "all persons are hereby permanently enjoined and restrained from...any act to collect, assess, or recover a claim against The Home, other than the filing of a proof of claim with the Liquidator...."

17. On or about August 13, 2003, Bowles filed a Proof of Claim form as a third-party claimant against a purported insured of Home. A true and correct copy of the Proof of Claim is attached hereto as Exhibit 1. The Proof of Claim alleged that Home's purported insured was an entity named Houston Real Estate a/k/a ETS Interests. Bowles alleged that he was a tenant of the policy holder and was shot on the policy holder's property.

18. On October 5, 2006, Bowles sent a letter to Thomas Kober with HICIL requesting an update on his Proof of Claim filed in 2003. A true and correct copy of the October 5, 2006 letter is attached hereto as Exhibit 2 and incorporated herein by reference.

19. On October 11, 2006, I sent a letter to Mr. Farmer, counsel for Plaintiff. Mr. Farmer was provided with a copy of the Order of Liquidation and advised that Bowles was enjoined from commencing or continuing any litigation against Home and if Bowles wished to make a claim

6. Home issued a Professional Liability Policy to the Insured Law Firm. The Professional Liability Policy is a claims made and reported policy. Under the Professional Liability Policy, a "claim" was defined as a "demand received by the insured for money or services, including the service of a suit...." (Professional Liability Policy, Sec. B).

7. Prior to the expiration of the Professional Liability Policy reporting period, Bowles forwarded letters to the Insured Law Firm expressing dissatisfaction with its work and demanding fee reductions.

8. The Insured Law Firm then notified Home regarding same within the policy period set forth above.

9. For purposes of the Professional Liability Policy and pursuant to its Discovery Clause, a claim was timely reported alleging acts or omissions that potentially invoked coverage under the Professional Liability Policy. Since the Professional Liability Policy is a third-party liability policy providing the Insured Law Firm with defense and indemnity benefits where coverage is otherwise afforded, this was all that was necessary to potentially invoke coverage under the policy at issue.

10. Although a lawsuit was not filed by Bowles against the Insured Law Firm until August of 1995, potential coverage had been invoked by notice of the claim and Home undertook to provide a defense subject to any reservation of rights raised by the pleadings.

11. Even if a defense had not been owed, which Home believed it was, Home was within its rights to afford same even if voluntarily.

12. Home was designated as an impaired insurer by the Texas Commissioner of Insurance on June 26, 2003, by Official Order in Case No. 03-0532.



against Home, he would need to file a Proof of Claim. A true and correct copy of the October 11, 2006 letter is attached hereto as Exhibit 3 and incorporated herein by reference.

20. On October 16, 2006, I sent another letter to Mr. Farmer responding to Bowles's October 5, 2006 letter to Mr. Kober. A true and correct copy of the October 16, 2006 letter is attached hereto as Exhibit 4 and incorporated herein by reference. Mr. Farmer was advised that since Home had ceased writing liability policies in 1995 and there was no information that suggested that the entity identified in the Proof of Claim was an insured under a Home policy, HICIL was recommending to the Liquidator that the Proof of Claim be disallowed.

21. Bowles has never filed a Proof of Claim with respect to the Professional Liability Policy and the Insured Law Firm, although that is the only remedy available under the Order of Liquidation.

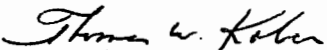
FURTHER, AFFIANT SAYETH NOT.



RONALD F. BARTA

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority, on this

15th day of November, 2007.



Notary Public, State of New York

My Commission Expires:

4-30-2011

THOMAS W. KOBER
Notary Public, State of New York
No. 43-4642498
Qualified in Richmond County
Commission Expires April 30, 19
2011

