

**TAB B**

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION

<b>HARRY L. BOWLES</b>	§	
	§	
Plaintiff,	§	
	§	
VS.	§	CIVIL ACTION NO. 1:08CV808SS
	§	
<b>HOME INSURANCE COMPANY</b>	§	
<b>IN LIQUIDATION (N.H.); AND TEXAS</b>	§	
<b>PROPERTY AND CASUALTY</b>	§	
<b>INSURANCE GUARANTY ASSOCIATION§</b>	§	
	§	
Defendants.	§	

**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 by its Liquidator Roger A. Sevigny, Commissioner of Insurance of The State of New Hampshire, solely in his capacity as the Liquidator of The Home Insurance Company (improperly named as Home Insurance Company in Liquidation (N.H.)) (“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Hampshire, Merrimack County, said order having been vacated and superseded by Order of Liquidation dated June 13, 2003.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 67 pages of records from HICIL. These said 67 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.

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.

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 ("2003 Houston Real Estate Proof of Claim"). A true and correct copy of the 2003 Houston Real Estate Proof of Claim is attached hereto as Exhibit 1. The 2003 Houston Real Estate 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 2003 Houston Real Estate 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 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 2003 Houston Real Estate Proof of Claim was an insured under a Home policy, HICIL was recommending to the Liquidator that the 2003 Houston Real Estate Proof of Claim be disallowed.

21. Prior to filing suit against HICIL in August of 2007, Bowles had 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.

22. On or about February 4, 2008, Bowles finally filed a Proof of Claim with respect to the Professional Liability Policy and the Insured Law Firm ("2008 Bishop Peterson Proof of Claim"). A true and correct copy of the 2008 Bishop Peterson Proof of Claim is attached hereto as Exhibit 5. Filed along with 2008 Bishop Peterson Proof of Claim was Claimant's Explanation of Late Filing of Claim with Liquidator. A true and correct copy of the Explanation of Late Filing is attached hereto as Exhibit 6.

23. On October 22, 2008, HICIL's Liquidator sent a Notice of Determination with respect to the 2003 Houston Real Estate Proof of Claim filed in 2003 regarding Home's purported insured Houston Real Estate a/k/a ETS Interests. A true and correct copy of the Notice of Determination is attached hereto as Exhibit 7. The Liquidator disallowed this Proof of Claim on the basis that there was no record that Home ever issued a policy to said entity.

24. On October 22, 2008, HICIL's Liquidator sent a Notice of Determination with respect to the 2008 Bishop Peterson Proof of Claim filed in 2008 regarding the Professional

Liability Policy and the Insured Law Firm. A true and correct copy of the Notice of Determination is attached hereto as Exhibit 8. The Liquidator disallowed this Proof of Claim on the basis that Bowles' claims had been previously adjudicated in the insureds' favor and Bowles had not been awarded any damages against the insureds.

25. Each Notice of Determination set forth the steps Bowles would need to take if he wanted to dispute the determination. These steps are part of the only remedy available under the Order of Liquidation.

26. On or about October 27, 2008, Bowles filed the present suit against HICIL.

27. On or about December 20, 2008, Bowles filed an Objection to the Notice of Determination made with respect to the 2008 Bishop Peterson Proof of Claim regarding the Professional Liability Policy and the Insured Law Firm. A true and correct copy of the Objection is attached hereto as Exhibit 9. This Objection will be heard by a court-appointed referee pursuant to the Order Establishing Procedures Regarding Claims, with review available of any decision made by the referee in the Merrimack County Superior Court and the New Hampshire Supreme Court. That Order and other pertinent information regarding the Liquidation are available on the website for the Liquidation Clerk at [www.hicilclerk.org](http://www.hicilclerk.org).

FURTHER, AFFIANT SAYETH NOT.

Ronald F. Barta  
RONALD F. BARTA

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority, on this  
9<sup>th</sup> day of January, 2009.

Mary E Actor  
Notary Public, State of New York

My Commission Expires: 11/3/2011

MARY E. ACTOR  
Notary Public - State of New York  
No. 02AC6101148  
Qualified in New York County  
My Commission Expires November 3, 2011



# **EXHIBIT 1**

PROOF OF CLAIM

The Home Insurance Company,

Merrimack County Superior Court, State of New Hampshire 03-E-0106

Read Carefully Before Completing This Form

Please print or type

RECEIVED

DATE PROOF OF CLAIM RECEIVED AUG 13 2003

HICIL

POC #: C1rn380570

Bowles, Harry
C/O James D. Farmer
7330 Torquay Lane
Houston TX 77074-3326

The Deadline for Filing this Form is June 13, 2004.

You should file this Proof of Claim form if you have an actual or potential claim against The Home Insurance Company of any of its former subsidiaries\* ("The Home") even if the amount of the claim is presently uncertain. To have your claim considered by the Liquidator, this Proof of Claim must be postmarked no later than June 13, 2004. Failure to timely return this completed form will likely result in the DENIAL OF YOUR CLAIM. You are advised to retain a copy of this completed form for your records.

- 1. Claimant's Name: Harry Louis Bowles
2. Claimant's Address: 306 Big Hollow Lane, Houston, Texas 77042
3. Claimant's Telephone Number: (713) 784-8966
Fax Number: (713) 365-9441
Email address:
4. Claimant's Social Security Number, Tax ID Number or Employer ID Number: 462-48-7822
5. Claim is submitted by (check one):
a) Policyholder or former policyholder
b) X Third Party Claimant making a claim against a person insured by The Home
c) Employee or former employee
d) Broker or Agent
e) General Creditor, Reinsurer, or Reinsured
f) State or Local Government Entity
g) Other; describe:

If your name, address, e-mail address, or telephone number set forth above are incorrect, or if they change, you must notify the Liquidator so she can advise you of new information.

Describe in detail the nature of your claim. You may attach a separate page if desired. Attach relevant documentation in support of your claim, such as copies of outstanding invoices, contracts, or other supporting documentation.

Claimant is a Tenant of the policy holder (landlord), and was shot on July 3, 2002 on the landlord's property (driveway). Claimant filed a claim in July, 2002, an offer to settle was made, that was wholly unsatisfactory, as the Claimant's claim is for damages to the limits of the Policyholders policy.

6. Indicate the total dollar amount of your claim. If the amount of your claim is unknown, write the word "unknown", BUT be sure to attach sufficient documentation to allow for determination of the claim amount. The documentations were furnished to the adjuster for Home Insurance. \$ 300,000.00 (if amount is unknown, write the word "unknown").

7. If you have any security backing up your claim, describe the nature and amount of such security. Attach relevant documentation.

8. If The Home has made any payments towards the amount of the claim, describe the amount of such payments and the dates paid:

9. Is there any setoff, counterclaim, or other defense which should be deducted by The Home from your claim? none

10. Do you claim a priority for your claim? If so, why: The claim has been pending for over one (1) year, with no resolution.

11. Print the name, address and telephone number of the person who has completed this form.

Name: Harry L. Bowles
Address: 306 Big Hollow Lane, Houston, Tx. 77042
Phone Number (713) 784-8966 or 461-9293
Email address:

\* The Home Indemnity Company, The Home Insurance Company of Indiana, City Insurance Company, Home Lloyds Insurance Company of Texas, The Home Insurance Company of Illinois, and The Home Insurance Company of Wisconsin.

12. If represented by legal counsel, please supply the following information:
- a. Name of attorney: \_\_\_\_\_
  - b. Name of law firm: \_\_\_\_\_
  - c. Address of law firm: \_\_\_\_\_
  - d. Attorney's telephone: \_\_\_\_\_
  - e. Attorney's fax number: \_\_\_\_\_
  - f. Attorney's email address: \_\_\_\_\_

13. If using a judgment against The Home as the basis for this claim:
- a. Amount of judgment \_\_\_\_\_
  - b. Date of judgment \_\_\_\_\_
  - c. Name of case \_\_\_\_\_
  - d. Name and location of court \_\_\_\_\_
  - e. Court docket or index number (if any) \_\_\_\_\_

14. If you are completing this Proof of Claim as a Third Party Claimant against an insured of The Home, you must conditionally release your claim against the insured by signing the following, as required by N.H. Rev. Stat. Ann. § 402-C:40 I:

I, Harry Louis Bowles (insert claimant's name), in consideration of the right to bring a claim against The Home, on behalf of myself, my officers, directors, employees, successors, heirs, assigns, administrators, executors, and personal representatives hereby release and discharge Houston Real Estate (insert a/k/a ETS Interest defendant(s) insured by The Home), and his/her/its officers, directors, employees, successors, heirs, assigns, administrators, executors, and personal representatives, from liability on the cause(es) of action that forms the basis for my claim against The Home in the amount of the limit of the applicable policy provided by The Home; provided, however, that this release shall be void if the insurance coverage provided by The Home is avoided by the Liquidator.

Harry Bowles Claimant's signature 8/08/03 Date

15. All claimants must complete the following:

I, Harry Louis Bowles (insert individual claimant's name or name of person completing this form for a legal entity) subscribe and affirm as true, under the penalty of perjury as follows: that I have read the foregoing proof of claim and know the contents thereof, that this claim in the amount of \* Three hundred thousand dollars (\$ 300,000.00) against The Home is justly owed, except as stated in item 9 above, and that the matters set forth in this Proof of Claim are true to the best of my knowledge and belief. I also certify that no part of this claim has been sold or assigned to a third party.

Harry Bowles Claimant's signature 8/08/03 Date

*Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.*

16. Send this completed Proof of Claim Form, postmarked by June 13, 2004, to:

The Home Insurance Company in Liquidation  
P.O. Box 1720  
Manchester, New Hampshire 03105-1720

**You should complete and send this form if you believe you have an actual or potential claim against The Home even if the amount of the claim is presently uncertain.**

\* This is the amount I believe I am entitled to, HPLS

**EXHIBIT 2**

Harry L. Bowles  
306 Big Hollow Lane  
Houston, Texas 77042  
713-983-6779, Fax 713-983-6722

October 5, 2006

Mr Thomas Kober  
Home Insurance Company in Liquidation  
59 Maiden Lane  
New York, New York 10038

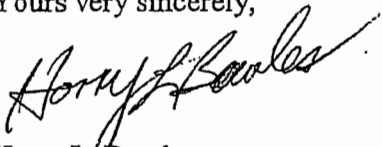
Subject: Request for Information on Claim against Home Insurance in Liquidation

Dear Mr. Kober:

It was recently stated in a document submitted by attorney Amber A. Walker of the Texas Property and Casualty Insurance Guarantee Association that I, at some time in the past, filed a casualty claim against Home Insurance Company in Liquidation Estate relating to a "shooting" incident at my premises of 1330 Sherwood Forest in Houston.

I was later visited by a claims adjuster, but I have received no information from Home concerning this claim. Please provide me with the claim number and the number of the policy to which this claim applied. Also, I request the status of this claim since I have heard nothing regarding its disposition.

Yours very sincerely,



Harry L. Bowles

Cc: James Farmer, Attorney

## **EXHIBIT 3**

THE HOME  
INSURANCE  
COMPANY IN  
LIQUIDATION



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59 Maiden Lane  
New York, New York 10038

Ronald F. Barta  
Senior Manager  
Telephone: 212-530-4054  
Fax: 212-299-3772  
ron.barta@homeinsco.com

October 11, 2006

James D. Farmer, Esq.  
Attorney at Law  
P. O. Box 19798  
Houston, TX 77224

Re: Harry L. Bowles v. George M. Bishop et al.  
District Court, Harris County, Texas # 1995-43235

Dear Mr. Farmer:

We recently received from your office copies of various filings you and/or your client have made in the above entitled action.

This will confirm that The Home Insurance Company ("Home") is not now and never has been a party to the above referenced action and, accordingly, will not be responding to said filings.

Be advised that pursuant to an Order of Liquidation, entered by the Merrimack County, New Hampshire Superior Court, Docket No.03-E-0106 June 11, 2003 (revised by Order dated June 13, 2003) (*copy attached*), all persons are permanently enjoined and restrained from commencing or continuing any litigation against Home. If your client wishes to make a claim in the Home liquidation proceeding he should file a Proof of Claim with Home's Liquidator. Proof of Claim forms and instructions for filing can be found on the website, [www.hicilclerk.org](http://www.hicilclerk.org).

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Also, please be advised that I recently received a call from your client together with Ray Ditmar who identified himself as a paralegal in your office. Inasmuch as you are representing Mr. Bowles, we assume that you would prefer to speak for

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THE HOME  
INSURANCE  
COMPANY IN  
LIQUIDATION



your client, hence, we will anticipate that any further communications regarding this matter will be with your office directly.

Sincerely,

Ronald F. Barta



**EXHIBIT 4**

THE HOME  
INSURANCE  
COMPANY IN  
LIQUIDATION



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59 Maiden Lane  
New York, New York 10038

Ronald F. Barta  
Senior Manager  
Telephone: 212-530-4054  
Fax: 212-200-3772  
ron.barta@homeinsco.com

October 16, 2006

James D. Farmer, Esq.  
Attorney At Law  
P.O. Box 19798  
Houston, TX 77224

Re: Harry L. Bowles  
Request for Information  
POC# CLMN380570

Dear Mr. Farmer:

This is in response to Mr. Bowles' letter dated October 5, 2006 addressed to Thomas Kober of this office, with a copy to you, regarding the above.

We are directing this response to you since we have been led to believe that you are representing Mr. Bowles. We will continue to communicate with your office rather than your client until we are advised that your representation of Mr. Bowles has terminated. In light of the foregoing, please request that your client similarly communicate with us through your office.

Responsive to Mr. Bowles' query, attached is a copy of Proof of Claim (POC) CLMN380570 which Mr. Bowles filed with Home's Liquidator on August 8, 2003. I have been assigned to evaluate this POC on behalf of Home's Liquidator. In his description of his claim, Mr. Bowles does not identify a Home policy or a Home insured. In paragraph 14 reference is made to "Houston Real Estate a/k/a ETS Interests" and we are in possession of no information that suggests that either named entity was a Home Insured on the date of the incident complained of herein. The shooting from which his claim arises is described as having occurred on July 3, 2002. Please be advised that The Home Insurance Company generally ceased active underwriting of liability policies of insurance in 1995, accordingly, it is highly unlikely that any Home policy would provide coverage for an event occurring in 2002.

THE HOME  
INSURANCE  
COMPANY IN  
LIQUIDATION



We are in possession of no other information regarding any claims made by Mr. Bowles involving a shooting. Therefore, we encourage you to furnish us with any information you feel would help us evaluate the referenced POC. Unless we are provided with documentation that supports Mr. Bowles' claim we will be compelled to recommend to Home's Liquidator that this POC be disallowed.

Mr. Bowles also refers to being visited by a claims adjuster. We do not have any information that would suggest that any claim adjuster employed by Home or the Liquidator visited Mr. Bowles.

Please direct any future communications to my attention.

Sincerely,

A handwritten signature in cursive script that reads "Ron Barta".

Ronald F. Barta

cc: Thomas Kober

**EXHIBIT 5**

PROOF OF CLAIM  
The Home Insurance Company,  
Merrimack County Superior Court, State of New Hampshire 03-5-0106  
Read Carefully Before Completing This Form  
Please print or type

FOR LIQUIDATOR'S USE ONLY

DATE PROOF OF  
CLAIM RECEIVED

RECEIVED

FEB - 7 2008

HICIL

CLMN 712396

**The Deadline for Filing this Form is June 13, 2004.**

You should file this Proof of Claim form if you have an actual or retained claim against The Home Insurance Company of any of its former subsidiaries\* ("The Home") even if the amount of the claim is presently uncertain. To have your claim considered by the Liquidator, this Proof of Claim must be postmarked no later than June 13, 2004. Failure to timely return this completed form will likely result in the DENIAL OF YOUR CLAIM. You are advised to retain a copy of this completed form for your records.

1. Claimant's Name: HARRY L. BOWLES
2. Claimant's Address: 306 BIG HOLLOW LANE  
HOUSTON TEXAS 77042
3. Claimant's Telephone Number: (713) 983-6779  
Fax Number: (713) 983-6722  
Email address: harry.bowles@separhlb.com
4. Claimant's Social Security Number, Tax ID Number or Employer ID Number: \_\_\_\_\_
5. Claim is submitted by (check one):
  - a)  Policyholder or former policyholder
  - b)  Third Party Claimant making a claim against a person insured by The Home
  - c)  Employee or former employee
  - d)  Broker or Agent
  - e)  General Creditor, Reinsurer, or Reinsured
  - f)  State or Local Government Entity
  - g)  Other; describe: \_\_\_\_\_

If your name, address, e-mail address, or telephone number set forth above are incorrect, or if they change, you must notify the Liquidator so she can advise you of new information.

Describe in detail the nature of your claim. You may attach a separate page if desired. Attach relevant documentation in support of your claim, such as copies of outstanding invoices, contracts, or other supporting documentation.

Claim against Home Ins Co Legal Liability Pol #LPL E87 1578  
see attached

6. Indicate the total dollar amount of your claim. If the amount of your claim is unknown, write the word "unknown", BUT be sure to attach sufficient documentation to allow for determination of the claim amount.

\$ \_\_\_\_\_ (if amount is unknown, write the word "unknown"). see attached

7. If you have any security backing up your claim, describe the nature and amount of such security. Attach relevant documentation.

Not Applicable

8. If The Home has made any payments towards the amount of the claim, describe the amount of such payments and the dates paid:

NONE

9. Is there any setoff, counterclaim, or other defense which should be deducted by The Home from your claim?

NONE

10. Do you claim a priority for your claim? If so, why. Yes, claim should have been acknowledged and resolved soon after 1-1-1996

11. Print the name, address and telephone number of the person who has completed this form.

Name: Harry L. Bowles, Claimant

Address: \_\_\_\_\_

Phone Number (\_\_\_\_) \_\_\_\_\_

Email address: \_\_\_\_\_

12. If represented by legal counsel, please supply the following information:

- a. Name of attorney: \_\_\_\_\_
- b. Name of law firm: \_\_\_\_\_
- c. Address of law firm: None Presently
- d. Attorney's telephone: \_\_\_\_\_
- e. Attorney's fax number: \_\_\_\_\_
- f. Attorney's email address: \_\_\_\_\_

13. If using a judgment against The Home as the basis for this claim:

- a. Amount of judgment \_\_\_\_\_
- b. Date of judgment \_\_\_\_\_
- c. Name of case None
- d. Name and location of court \_\_\_\_\_
- e. Court docket or index number (if any) \_\_\_\_\_

14. If you are completing this Proof of Claim as a Third Party Claimant against an insured of The Home, you must conditionally release your claim against the insured by signing the following, as required by N.H. Rev. Stat. Ann. § 402-C:40 I:

I, Harry L. Bowles (insert claimant's name), in consideration of the right to bring a claim against The Home, on behalf of myself, my officers, directors, employees, successors, heirs, assigns, administrators, executors, and personal representatives hereby release and discharge George M Bishop (insert name of defendant(s) insured by The Home), and his/her/its officers, directors, employees, successors, heirs, assigns, administrators, executors, and personal representatives, from liability on the cause(s) of action that forms the basis for my claim against The Home in the amount of the limit of the applicable policy provided by The Home; provided, however, that this release shall be void if the insurance coverage provided by The Home is avoided by the Liquidator.

Harry L. Bowles  
 Claimant's signature

Feb. 4, 2008  
 Date

15. All claimants must complete the following:

I, Harry L. Bowles (insert individual claimant's name or name of person completing this form for a legal entity) subscribe and affirm as true, under the penalty of perjury as follows: that I have read the foregoing proof of claim and know the contents thereof, that this claim is in the amount of \$3,100,000 dollars (\$ \_\_\_\_\_) against The Home is justly owed, except as stated in item 9 above, and that the matters set forth in this Proof of Claim are true to the best of my knowledge and belief. I also certify that no part of this claim has been sold or assigned to a third party.

Harry L. Bowles  
 Claimant's signature

Feb. 4, 2008  
 Date

*Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.*

16. Send this completed Proof of Claim Form, postmarked by June 13, 2004, to:

The Home Insurance Company in Liquidation  
 P.O. Box 1720  
 Manchester, New Hampshire 03105-1720

**You should complete and send this form if you believe you have an actual or potential claim against The Home even if the amount of the claim is presently uncertain.**

## Section 5 - PROOF OF CLAIM

Describe in detail the nature of your claim:

1. This claim is based on breach of contract and legal malpractice by attorney George M. Bishop that occurred in the period 1992 to 1996 while Bishop undertook to provide Bowles with legal services under a contingency fee employment contract dated November 2, 1992.
2. The underlying action is styled Bowles et al. vs. Schwarz et al, Cause No. 1991-25939 in the Harris County District courts.
3. On October 25, 1993, Bowles, on Bishop's advice, entered into a Settlement Agreement with Schwarz to settle the litigation by sale of their jointly owned company, National Parts Systems, Inc. through an auction by a court-appointed and supervised receiver. Net funds were to be evenly divided.
4. It was Bowles understanding that the receivership proceeding would strictly follow Texas receivership law as it is set forth in Chapter 64 of the Texas Civil Practices and Remedies Code. It was Bowles' presumption that that Bishop would represent Bowles's interest to insure that the appointed receiver was properly qualified and that the receiver followed the letter of the law in his execution of his duties as spelled out in the Settlement Agreement and in the Order Appointing Receiver.
5. From its very inception the receivership was a scheme designed to defraud Bowles of his 50% ownership in NPS. Long after October 1993, Bowles learned that Bishop had entered into an agreement in 1992 with Schwarz's attorney to betray Bowles. With Bishop's consent and without Bowles' knowledge, the appointed receiver was both a law partner of Schwarz's attorney and a lawyer who had represented Schwarz in previous litigation. As a result, the receivership was carried out in total disregard and in violation of the provisions of Chapter 64, Texas C.P.& R. Code. Bishop voluntarily withdrew his representation in March 1994 and reentered the case as a purported Intervenor although without legal standing to do so.
6. Due to the blatant conspiratorial fraud, in which Bishop fully participated, Bowles withdrew from the Settlement Agreement on March 31, 1995. Bishop agreed that Bowles had a legal right to do so. However, the conspirators disenfranchised Bowles and refused to recognize Bowles' withdrawal; they proceeded to carry out kangaroo court actions over Bowles' objections and in violation of a decision by a Texas appeal court in Bowles' favor. End result: Cause No. 1991-25939 was declared terminated without Bowles' consent. Bowles' was given the sum of \$65,000 as his share of the "sale" to Schwarz of a company for which a bid of 1.8 million dollars had been received and rejected by the receiver. END

## Section 6 – PROOF OF CLAIM

Indicate the total dollar amount of your claim:

1. The actual damages suffered by Bowles may be simply stated to have occurred on March 31, 1995 when Bowles withdrew from the Settlement Agreement and when the conspirators, including Bishop, refused to recognize the withdrawal. At that point, the status of the case was that existing immediately prior to the Settlement Agreement with Bowles the legal owner of a 50% interest in a company the market value of which had been established as 1.8 million dollars by public auction.. Bowles' loss on March 31, 1995 was \$900,000.
2. The present value of Bowles' loss of \$900,000 on March 31, 1995 calculated at 10 percent annual interest is approximately \$3,100,000 (13 years – 3.452271 multiplier).



**EXHIBIT 6**

**HARRY L. BOWLES, CLAIMANT**  
**306 BIG HOLLOW LANE**  
**HOUSTON TX 77042**

**Tel: 713-983-6779 Fax 713-983-6722**

**E-mail : [harry.bowles@separhlb.com](mailto:harry.bowles@separhlb.com)**

**To: The Home Insurance Company in Liquidation**  
**P.O. Box 1720**  
**Manchester, New Hampshire 03105-1720**

**Subject: Proof of Claim Against Home Insurance Policy No. LPL-F871578**

**CLAIMANT'S EXPLANATION OF LATE FILING OF**  
**CLAIM WITH LIQUIDATOR**

Harry L. Bowles herewith files the attached claim against Home Insurance Policy No. LPL-F871578 ("the policy") with the Liquidator knowing that the deadline for filing was June 13, 2004. The reason that this claim is late-filed is as follows:

1. The insureds under the professional malpractice policy were the three shareholders and principals of the law firm Bishop, Peterson & Sharp, P.C. ("BPS") of Houston, Texas. The president of the professional corporation was George M. Bishop. Only Mr. Bishop was the provider of services rendered to Bowles for which Bowles now files a claim for damages caused by Bishop's professional misconduct.
2. The policy was first issued on January 24, 1992 for a one-year period and was extended for another year on January 24, 1993. On December 18, 1993 Home notified the insureds that the policy would not be extended and would be cancelled effective February 6, 1994.
3. Bowles filed suit against BPS and its individual shareholders in August 1995, alleging legal malpractice, breach of contract and other causes of action.
4. After long delay, Bowles filed discovery requests to Bishop in 2002 requesting he provided copies of any insurance policies covering a prospective damage award in Bowles' favor. Mr. Bishop at all times refused to furnish any information. Bowles assumed that Bishop and BPS had no legal malpractice coverage.
5. Bowles discovery initiative continued into 2005 without revelation of an insurance contract. In August 2005 there appeared in the litigation in defense of BPS the Houston law firm of Marshall & McCracken, P.C. ("M&M").

- This firm also refused to produce a policy in response to Bowles discovery requests, but was forced to do so in September 2006.
6. At that time it was revealed that the Texas Property and Casualty Insurance Guaranty Association ("TPCIGA") had employed M&M to defend the Home Insurance Policy No. LPL-F871578.
  7. The policy tendered was found by Bowles to have been cancelled and that TPCIGA (nominally a state agency under the Insurance Department) had no authority to intrude and interfere in the malpractice action.
  8. In September 2006 Bowles still had no knowledge regarding whether or not Home Insurance Company or Home Insurance Company in Liquidation had officially requested TPCIGA to defend the policy as a covered claim.
  9. This information was revealed only when Bowles filed a suit in a Texas federal court against Home and against TPCIGA based on tortious interference and fraud.
  - 10. Bowles was knowingly deceived by Home and TPCIGA by not being given notice in 2003 that there was a claim against the policy transmitted to TPCIGA and that Bowles had the option of either making a claim with the Liquidator or with TPCIGA. In fact, Bowles did neither and was victimized by TPCIGA's intrusion into the malpractice action in defense of an alleged insurance policy that they refused to produce. Bowles has never previously submitted a claim against the policy to either TPCIGA or to the Liquidator because of his doubt that the policy covered his malpractice action against Bishop.
  11. That doubt has now been erased as a result of an affidavit by Home Senior Manager Ronald F. Barta received on or about November 16, 2007 in response to Bowles' lawsuit against Home and TPCIGA in the federal court in Austin, Texas. In that affidavit Mr. Barta declares that Home considered Bowles' lawsuit to be a "covered claim" and "voluntarily" decided to provide a defense against the claim. A copy of said affidavit is attached hereto.
  12. Mr. Barta states that the only remedy for Bowles under the Order of Liquidation is to file a Proof of Claim. Having been denied for twelve years the knowledge that Home always been aware of Bowles' August 1995 malpractice action and had elected to provide coverage under the policy, Bowles now proceeds to file the Proof of Claim with the Liquidator and requests it be determined to be wholly allowed.

Date: 2/04/08

By Harry Bowles

HIR.9015

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION

HARRY L. BOWLES

Plaintiff,

VS.

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

Defendants.

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CIVIL ACTION NO. 1:07CV740

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.

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.

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

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.

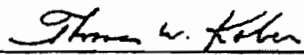
20. On October 16, 2006, I sent another letter to Mr. Farmer responding to Bowles's October 5, 2006 letter to Mr. Kober. A true and correct copy of the October 16, 2006 letter is attached hereto as Exhibit 4 and incorporated herein by reference. Mr. Farmer was advised that since Home had ceased writing 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  
15<sup>th</sup> 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, 2011



AFFIDAVIT

THE STATE OF TEXAS     §

§

§

COUNTY OF TRAVIS     §

BEFORE ME, the undersigned authority, a Notary Public in and for the aforesaid jurisdiction, on this day personally appeared Amber A. Walker, known to me to be the person whose name is subscribed hereto, and who, being by me first duly sworn, on her oath deposes and says:

My name is Amber A. Walker. I am a licensed attorney in the State of Texas and am employed as a Senior Claims Attorney for the Texas Property and Casualty Insurance Guaranty Association ("TPCIGA"). I am over the age of twenty-one (21), have never been convicted of a felony or crime of moral turpitude, and am fully competent to testify. Except as otherwise specifically set forth herein, I have personal knowledge of the facts stated herein. All such facts are true and correct.

In my capacity as a Senior Claims Attorney for TPCIGA, I am well acquainted with Tex. Ins. Code art. 21.28-C (the "Guaranty Act") and the Guaranty Association. Moreover, I am familiar with the nature and history of Plaintiff's claim against Bishop, Peterson & Sharp, P.C.

Home Insurance Company ("Home") issued a legal liability policy to the law firm of Bishop, Peterson & Sharp, P.C. At some point after Mr. Bowles asserted his claim against Bishop, Peterson & Sharp, P.C. and related insureds, the insureds demanded a defense and indemnity from Home in accordance with the terms and conditions of the Home policy.

A New Hampshire court placed Home in liquidation on June 13, 2003. Thereafter, the Texas Commissioner of Insurance designated The Home Insurance Company an "impaired insurer" on June 26, 2003. In accordance with the provisions of Tex. Ins. Code Ann. art. 21.28-C, TPCIGA handles certain claims by and against insureds of impaired insurers.

Shortly after insolvency and the subsequent impairment, the Liquidator of Home Insurance Company forwarded this claim to TPCIGA for review as a possible "covered claim," as that term is defined in the Guaranty Act. The claim was assigned to claims examiner Barbara Marsh for handling. Ms. Marsh first reviewed the claim for TPCIGA on or about July 29, 2003. I first reviewed the claim for possible coverage issues on or about October 14, 2004. Because our investigation indicated that this claim might present a "covered claim," TPCIGA undertook to handle this claim on behalf of the now-dissolved insured law firm,

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**EXHIBIT B**

while expressly reserving its rights to assert and rely upon any policy provisions or terms in the Guaranty Act that might limit coverage.

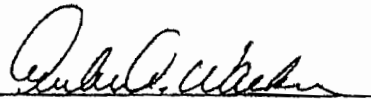
Prior to its insolvency, the Home Insurance Company had an agreement with George M. Bishop, a former partner of Bishop, Peterson & Sharp, P.C., that he would represent the named insured and related insureds in *Bowles v. George M. Bishop, et al.* until the amount of the policy deductible had been met. Once the insured's deductible had been met, TPCIGA secured the services of counsel in the Houston area to assume the defense of Bishop, Peterson & Sharp, P.C. Accordingly, TPCIGA retained the firm of Marshall & McCracken, P.C. to represent the named insured in this litigation.

By letter of August 11, 2006, I advised attorney James D. Farmer, counsel of record for Harry Bowles in the above-styled suit, that TPCIGA had been aware of Mr. Bowles' claim since shortly after the Home Insurance Company's demise and that it had retained Marshall & McCracken, P.C. to defend the Bishop, Peterson & Sharp, P.C. In that same letter, I also attempted to correct and explain a variety of other misstatements and/or misunderstandings apparent in correspondence received from Mr. Farmer, Mr. Bowles' attorney. A copy of that four-page letter is attached hereto as Exhibit "A."

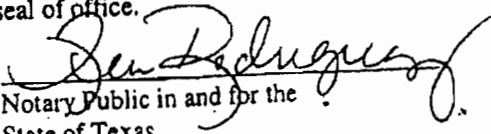
Furthermore, any suggestion by Plaintiff that he was denied the opportunity to file a proof of claim is incorrect (see Exhibit E to Motion to Show Authority). A representative of Home Insurance Company, in liquidation, advised me on September 1, 2006 that the Liquidator sent Mr. Bowles notice of his right to file a proof of claim with the liquidation estate. Indeed, Mr. Bowles filed a proof of claim with the estate, although it referenced a shooting incident that was apparently unrelated to The Home Insurance Company and Bishop, Peterson & Sharp, P.C. Please note that a claim against the assets of the liquidation estate and a "covered claim" under the Guaranty Act are separate and distinct claims against separate entities.

Like most liability policies, the Home policy provided that Home Insurance Company had the right and duty to defend claims that fell within the coverage of the policy. Section 8(b) of the Guaranty Act provides that TPCIGA "shall undertake to discharge the policy obligations of the impaired insurer, including the duty to defend insureds under a liability policy, to the extent that the policy obligations are covered claims under the Act." Accordingly, pursuant to the terms and conditions of the policy and the Guaranty Act, Marshall & McCracken, P.C. has complete and full authority to represent Defendant Bishop, Peterson & Sharp, P.C. in the above-captioned lawsuit.

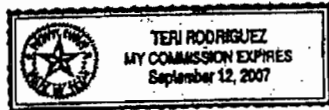
Further affiant sayeth not.

  
Amber A. Walker

SUBSCRIBED and SWORN TO, before me, on this the 7<sup>th</sup> day of September, 2006, to certify which witness my hand and seal of office.

  
Notary Public in and for the  
State of Texas

My Commission Expires:



# Renewal Certificate

Professional Liability Insurance Policy  
 Attach to your expiring declarations.

Policy Number: LPL-FB7157B-1



**This is a claims made Policy. Please review the Policy carefully.**

The Policy is limited to liability for only those claims that are first made against the Insured during the policy period.

Insured by the stock company below and hereinafter called the company			
THE HOME INSURANCE COMPANY OF INDIANA INDIANAPOLIS, INDIANA			
Item 1. Named Insured and Address (Number, Street, Town or City, County, State, Zip Code)		Producer Name	
BISHOP, PETERSON & SHARP, P. C. 3000 SMITH HOUSTON TX 77006		DANIELS-HEAD INSURANCE AGENCY INC.	
		Item 2. Policy Period	
		From (Day-Mon-Yr) 24-Jan-1993	To (Day-Mon-Yr) 24-Jan-1994
12:01 A.M. Standard Time at the address of the Named Insured as stated herein.			
Item 3. Form of Named Insured's Business		Insured is	
And Those Professionals Listed on the Application.		CORPORATION	
Item 4. Limit of Liability			
Each Claim \$	2,000,000	000000	000000
Aggregate \$	2,000,000	000000	000000
Item 5. Deductible			
Per Claim \$	10,000	000000	000000
Item 6. Premium			
PREMIUM	\$12,244.00	000000	000000
		NO. OF PROFESSIONALS 3	
Item 7. Policy Changes and Endorsements (The endorsements noted below are part of this policy and either became effective at the inception of or during the preceding Policy Period(s), or will become effective at the inception of the Renewal Period.)			
H36581 05/86 LPL POLICY JACKET H37530 07/92 CANCEL/NONRENEW H37683 10/88 ARBITRATION ENDST H37973 07/91 REG ENDORSEMENT H40552 05/92 POLICYHOLDER NOTICE H35385 01/89 SPEC CLAIM EXCL H35497 03/87 PRIOR ACTS EXCLUSION			
Do Not Write In This Box	Remarks	Countersigned at AUSTIN, TX Authorized Representative	Issue Date 21-Jan-1993 Countersign Date 1-21-93

H34798F IC1 Ed. 10-90

003852

COPY

FF-8



NOTICE OF CANCELLATION OR NON-RENEWAL

POLICY NUMBER	TYPE OF POLICY	TERMINATION EFFECTIVE	PRODUCER NO.-OPC	DATE OF MAILING
LPL P871578-1	Lawyers Prof. Liab.	February 6, 1994 12:01 AM	39754 - 351	12/3/93

INSURED'S NAME AND ADDRESS

PRODUCER

THIS  
NOTICE  
MAILED  
TO

Bishop, Peterson, & Sharp, P. C.  
3000 Smith  
Houston, Texas 77006

Daniels-Head Insurance  
Agency, Inc.  
P. O. Box 160730  
Austin, Texas 78716-0730

Applicable item marked with an "X"

HOME Insurance Co. of Indiana

CANCELLATION

You are hereby notified in accordance with the terms and conditions of the above mentioned policy that your insurance will cease at and from the hour and date mentioned above.

If the premium has been paid, premium adjustment will be made as soon as practicable after cancellation becomes effective. If the premium has not been paid, a bill for the premium earned to the time of cancellation will be forwarded in due course.

You are hereby notified in accordance with the terms and conditions of the above mentioned policy that your insurance will cease at and from the hour and date mentioned above due to nonpayment of premium. A bill for the premium earned to the time of cancellation will be forwarded in due course.

X NON-RENEWAL

You are hereby notified in accordance with the terms and conditions of the above mentioned policy that the above mentioned policy will expire effective at and from the hour and date mentioned above and the policy will NOT be renewed.

Due to recent claim

activity and past claim frequency.

To LIENHOLDER OR LOSS PAYEE

You are hereby notified that the agreement under the Loss Payment Clause to you, as Lienholder, which is part of the above policy, issued to the above insured, is hereby cancelled (or terminated) in accordance with the conditions of the policy, said cancellation (or termination) to be effective on and after the hour and date mentioned above.

To MORTGAGEE

You are hereby notified that the above mentioned policy and the Mortgagee Agreement is hereby cancelled. Your interest under the said policy is cancelled on (a) the termination date shown above or (b) 13 days from "Date of Mailing", whichever is later.

NAME AND ADDRESS OF LIENHOLDER, LOSS PAYEE OR MORTGAGEE

GML 6430F (C) 6/91

*Ronda Cerasani*  
 AUTHORIZED REPRESENTATIVE

CANCELLATION			EFFECTIVE DATE:
FLAT _____	MAJOR LINE	AMOUNT	FACTOR
P/R _____			REASON
S/R _____			CASH RETURN
SUBJECT TO AUDIT _____	TOTAL \$		FUTURE INSTALLMENTS

GML 6430F (C) 6/91

COMPANY COPY

CERTIFICATION

I hereby certify that I personally mailed to the insured, and if named above, to the lienholder, loss payee or mortgagee, on the date hereon a notice of cancellation or non-renewal, an exact carbon of which appears above.

Date 12-3-93

Signature *Lee Adam*

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**EXHIBIT 7**

THE HOME INSURANCE COMPANY IN LIQUIDATION

P.O. Box 1720  
Manchester, New Hampshire 03105-1720  
Tel: (800) 347-0014

Date: 10/22/2008

Class: II

Harry Louis Bowles  
306 Big Hollow Lane  
Houston, TX 77042

RE: NOTICE OF DETERMINATION  
Proof of Claim No.: CLMN380570-01

Determination Summary

Gross Amount of Claim	: \$ 300,000.00
Amount Allowed by Liquidation	: \$ 0

Explanation: Your Proof of Claim seeks an allowance for damages arising from a shooting incident on July 3, 2002 pursuant to a policy allegedly issued to Houston Real Estate a/k/a ETS Interests. We have been unable to locate any record that The Home Insurance Company issued a policy to Houston Real Estate or ETS Interests. The Home Insurance Company n/k/a The Home Insurance Company In Liquidation ceased issuing policies in 1995. For the reasons stated above, this Proof of Claim has been disallowed.

You have filed another Proof of Claim CLMN712396. You will be receiving a separate Notice of Determination with respect to that Proof of Claim.

Dear Claimant :

The purpose of this letter is to provide you with a determination set forth above of claims you have presented to The Home Insurance Company in Liquidation ("The Home"), under the Proof(s) of Claim specified above. The Home expects to present notice of this determination to the Superior Court for Merrimack County, New Hampshire (the "Court") for approval in accordance with New Hampshire Revised Statute, RSA 402-C:45. Read this Notice of Determination carefully as it sets forth your rights and obligations in detail.

The Home has now made a Determination on the claims as set forth above in accordance with The Home Claim Procedures (the "Procedures")\* approved by the Court. If the claim

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\*A copy of the January 19, 2005 Restated and Revised Order Establishing Procedures Regarding Claims Filed with The Home Insurance Company in Liquidation may be obtained from the website of the Office of

has been allowed, in whole or in part, it has been assigned a Class II priority as a "policy related claim" pursuant to the Order of Distribution set forth in RSA 402-C:44 and will be placed in line for payment as directed by the Court from the assets of The Home. The first \$50 of the amount allowed on each claim in this class shall be deducted from the amount distributed as specified in RSA 402-C:44.

You may have other claims against The Home for which you may receive other Notices of Determination. You will have a separate right to dispute each Notice of Determination. If your claim has been allowed in whole or in part, this Notice of Determination does not mean that your claim will immediately be paid, or that it will be paid in full or at all. Pursuant to order of the Court, The Home may make distributions of its assets as a percentage of all allowed claims in a particular priority class in The Home estate as approved by the Court. The amount of the final payment for allowed claims will be determined by the final ratio of assets to liabilities and the applicable priority. Please be advised that the final percentage of payment you receive from The Home, at the time The Home estate is finally closed, is the total payment amount that you will be entitled to for this claim.

The Liquidator does not expect there to be assets sufficient to make a distribution to creditors in classes below Class II.

Any and all distributions of assets may be affected and/or reduced by any payments you have received on this claim from any other sources not listed on the Notice of Distribution. Any such distributions by The Home are based on The Home's knowledge and/or understanding of the amounts you have received in settlement and/or reimbursement of this claim from all other sources at the time of the allowance or thereafter. Should The Home subsequently become aware of prior recoveries from other sources The Home has the right to reduce its future distribution payments to you to the extent of such other recoveries or to seek and obtain repayment from you with respect to any previous distributions that were made to you.

Further, if you seek or receive any future payment from any other source on this claim after you receive a distribution payment from The Home you must notify The Home at the address below and The Home has the right to recover from you the distribution payments in whole or in part, to the extent of any such other future recoveries.

As a condition to receipt of any distributions, The Home shall be entitled to any rights to subrogation you may have against any third party and you shall be deemed to have assigned to The Home such rights upon receipt of any distributions. You shall also be obliged to reimburse The Home for any legal fees or other costs associated with The Home recovering from you any distribution payments to which you are not entitled.

The following instructions apply to this Notice of Determination:

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the Liquidation Clerk for The Home Insurance Company in Liquidation and US International Reinsurance Company in Liquidation, [www.hicilclerk.org](http://www.hicilclerk.org)



Claim Allowed

1. If this claim has been allowed in whole or in part and you agree with the determination, sign and date the enclosed Acknowledgment of Receipt of the Notice of Determination and mail the completed Acknowledgment to The Home.

Claim Disallowed

2. A. If all or part of your claim has been disallowed or you wish to dispute the determination or creditor classification for any reason, you may file a Request for Review with the Liquidator. The Request for Review is the first of two steps in the process of disputing a claim determination. The Request for Review must be received by The Home within thirty (30) days from the date of this Notice of Determination.

REQUEST FOR REVIEW FILING REQUIREMENTS:

- (a) Sign and return the attached Acknowledgment of Receipt form.
- (b) On a separate page, state specifically the reasons(s) you believe that the determination is in error and how it should be modified. Please note the Proof of Claim number on that page and sign the page.
- (c) Mail the Request for Review to:  
The Home Insurance Company in Liquidation  
P.O. Box 1720  
Manchester, NH 03105-1720

You should keep a copy of this Notice of Determination, Acknowledgment of Receipt and Request for Review, then mail the Original Request for Review to us by U.S. Certified Mail.

- (d) The Request for Review must be received by The Home within thirty (30) days from the date of this Notice of Determination. The Request for Review must be in writing.
- (e) The Liquidator will inform you of the outcome of the review and issue to you a Notice of Redetermination.

IF A REQUEST FOR REVIEW IS NOT FILED WITH THE HOME WITHIN THE THIRTY (30) DAY PERIOD, YOU MAY NONETHELESS DIRECTLY FILE AN OBJECTION WITH THE COURT WITHIN SIXTY (60) DAYS FROM THE MAILING OF THIS NOTICE. You do not have to file the Request for Review as a prerequisite to dispute the Notice of Determination. Please see Section 2B (below) for the Objections to Denial of Claims.

B. If your claim is disallowed in whole or in part, you may file an Objection with the Court at

Office of the Clerk, Merrimack County Superior Court  
163 N. Main Street, P.O. Box 2880  
Concord, New Hampshire 03301-2880  
Attention: The Home Docket No. 03-E-0106

within sixty (60) days from the mailing of the Notice of Determination and bypass the Request for Review procedures as noted in Section 2A (above). If the Request for Review is timely filed, as outlined in Section 2A, the Liquidator will inform you of the outcome of the review and issue to you a Notice of Redetermination. If the redetermination is to disallow the claim, you may still file an Objection with the Court. You have sixty (60) days from the mailing of the Notice of Redetermination to file your Objection. Please also sign and return the Acknowledgment of Receipt form and mail a copy of the Objection to the Liquidator.

IF YOU DO NOT FILE AN OBJECTION WITH THE COURT WITHIN EITHER SIXTY (60) DAYS FROM THE MAILING OF THIS NOTICE OF DETERMINATION OR SIXTY (60) DAYS FROM THE MAILING OF ANY NOTICE OF REDETERMINATION, YOU MAY NOT FURTHER OBJECT TO THE DETERMINATION.

A timely filed Objection will be treated as a Disputed Claim and will be referred to the Liquidation Clerk's Office for adjudication by a Referee in accordance with the Procedures.

3. You must notify The Home of any changes in your mailing address. This will ensure your participation in future distributions, as applicable. For purposes of keeping The Home informed of your current address, please notify us at the address given on the letterhead above.

Sincerely yours,

Peter Bengelsdorf, Special Deputy Liquidator  
For Roger A. Sevigny, Liquidator  
of The Home Insurance Company in Liquidation

If you wish to speak to someone regarding this Notice of Determination, please contact:

Ron Barta  
Senior Manager  
Home Insurance Company in Liquidation  
Phone : 212-530-4054

THE HOME INSURANCE COMPANY IN LIQUIDATION

P.O. Box 1720  
Manchester, New Hampshire 03105-1720  
Tel: (800) 347-0014

POC #: CLMN380570-01

Amount Allowed: \$ 0

Harry Louis Bowles  
306 Big Hollow Lane  
Houston, TX 77042

ACKNOWLEDGMENT OF RECEIPT

I hereby acknowledge receipt of the Notice of Determination as a Class II Creditor claim and confirm that I understand the content thereof. I further acknowledge and confirm that I understand the Instructions regarding the Notice of Determination of my Claim against The Home Insurance Company in Liquidation and in that regard advise as follows:

(Check off all applicable items.)

I agree to the determination.

I reject the determination and want to file a Request for Review (specific reasons must be included along with return of the signed Acknowledgment).

I reject the determination and intend to file a separate Objection with the Court, without filing a Request for Review.

I have not assigned any part of this claim.

I have not made any other recoveries with respect to this claim.

I have not sought and do not intend to seek any other recoveries with respect to this claim.

I have made recovery from others with respect to this claim (full details must be included with this Acknowledgement).

I have sought or intend to seek recovery from others with respect to this claim (full details must be included with this Acknowledgement).

I request that The Home mail further correspondence to:

\_\_\_\_\_ Same name as above.  
New name \_\_\_\_\_

\_\_\_\_\_ Same address as above  
New address \_\_\_\_\_  
\_\_\_\_\_

This Acknowledgment of Receipt must be completed, signed and returned to The Home in order to be eligible for distributions from The Home estate as directed by the Court.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **EXHIBIT 8**

THE HOME INSURANCE COMPANY IN LIQUIDATION

P.O. Box 1720  
Manchester, New Hampshire 03105-1720  
Tel: (800) 347-0014

Date: 10/22/2008

Class: II

Harry L Bowles  
306 Big Hollow Lane  
Houston, TX 77042

RE: NOTICE OF DETERMINATION  
Proof of Claim No.: CLMN712396-01

Determination Summary

Gross Amount of Claim	: \$ 3,100,000.00
Amount Allowed by Liquidation	: \$ 0

Explanation: Your Proof of Claim seeks an allowance for damages you allege you sustained as a result of alleged professional misconduct by Bishop, Peterson & Sharp P. C. and George M. Bishop pursuant to a professional liability policy The Home Insurance Company n/k/a The Home Insurance Company in Liquidation issued to the firm and its individual partners. You made these allegations in law suits you brought against the firm and Mr. Bishop. The suits have been subject to dismissal and summary judgment in the insureds' favor. Because your claims have been previously adjudicated and you have not been awarded any damages against the insureds, this Proof of Claim has been disallowed.

You have filed another Proof of Claim CLMN380570. You will be receiving a separate Notice of Determination with respect to that Proof of Claim.

Dear Claimant :

The purpose of this letter is to provide you with a determination set forth above of claims you have presented to The Home Insurance Company in Liquidation ("The Home"), under the Proof(s) of Claim specified above. The Home expects to present notice of this determination to the Superior Court for Merrimack County, New Hampshire (the "Court") for approval in accordance with New Hampshire Revised Statute, RSA 402-C:45. Read this Notice of Determination carefully as it sets forth your rights and obligations in detail.

The Home has now made a Determination on the claims as set forth above in accordance with The Home Claim Procedures (the "Procedures")\* approved by the Court. If the claim has been allowed, in whole or in part, it has been assigned a Class II priority as a "policy related claim" pursuant to the Order of Distribution set forth in RSA 402-C:44 and will be placed in line for payment as directed by the Court from the assets of The Home. The first \$50 of the amount allowed on each claim in this class shall be deducted from the amount distributed as specified in RSA 402-C:44.

You may have other claims against The Home for which you may receive other Notices of Determination. You will have a separate right to dispute each Notice of Determination. If your claim has been allowed in whole or in part, this Notice of Determination does not mean that your claim will immediately be paid, or that it will be paid in full or at all. Pursuant to order of the Court, The Home may make distributions of its assets as a percentage of all allowed claims in a particular priority class in The Home estate as approved by the Court. The amount of the final payment for allowed claims will be determined by the final ratio of assets to liabilities and the applicable priority. Please be advised that the final percentage of payment you receive from The Home, at the time The Home estate is finally closed, is the total payment amount that you will be entitled to for this claim.

The Liquidator does not expect there to be assets sufficient to make a distribution to creditors in classes below Class II.

Any and all distributions of assets may be affected and/or reduced by any payments you have received on this claim from any other sources not listed on the Notice of Distribution. Any such distributions by The Home are based on The Home's knowledge and/or understanding of the amounts you have received in settlement and/or reimbursement of this claim from all other sources at the time of the allowance or thereafter. Should The Home subsequently become aware of prior recoveries from other sources The Home has the right to reduce its future distribution payments to you to the extent of such other recoveries or to seek and obtain repayment from you with respect to any previous distributions that were made to you.

Further, if you seek or receive any future payment from any other source on this claim after you receive a distribution payment from The Home you must notify The Home at the address below and The Home has the right to recover from you the distribution payments in whole or in part, to the extent of any such other future recoveries.

As a condition to receipt of any distributions, The Home shall be entitled to any rights to subrogation you may have against any third party and you shall be deemed to have assigned to The Home such rights upon receipt of any distributions. You shall also be obliged to reimburse The Home for any legal fees or other costs associated with The Home recovering from you any distribution payments to which you are not entitled.

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\*A copy of the January 19, 2005 Restated and Revised Order Establishing Procedures Regarding Claims Filed With The Home Insurance Company in Liquidation may be obtained from the website of the Office of the Liquidation Clerk for The Home Insurance Company in Liquidation and US International Reinsurance Company in Liquidation, [www.hicilclerk.org](http://www.hicilclerk.org)

The following instructions apply to this Notice of Determination:

Claim Allowed

1. If this claim has been allowed in whole or in part and you agree with the determination, sign and date the enclosed Acknowledgment of Receipt of the Notice of Determination and mail the completed Acknowledgment to The Home.

Claim Disallowed

2. A. If all or part of your claim has been disallowed or you wish to dispute the determination or creditor classification for any reason, you may file a Request for Review with the Liquidator. The Request for Review is the first of two steps in the process of disputing a claim determination. The Request for Review must be received by The Home within thirty (30) days from the date of this Notice of Determination.

REQUEST FOR REVIEW FILING REQUIREMENTS:

- (a) Sign and return the attached Acknowledgment of Receipt form.
- (b) On a separate page, state specifically the reasons(s) you believe that the determination is in error and how it should be modified. Please note the Proof of Claim number on that page and sign the page.
- (c) Mail the Request for Review to:  
The Home Insurance Company in Liquidation  
P.O. Box 1720  
Manchester, NH 03105-1720

You should keep a copy of this Notice of Determination, Acknowledgment of Receipt and Request for Review, then mail the Original Request for Review to us by U.S. Certified Mail.

- (d) The Request for Review must be received by The Home within thirty (30) days from the date of this Notice of Determination. The Request for Review must be in writing.
- (e) The Liquidator will inform you of the outcome of the review and issue to you a Notice of Redetermination.

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~~IF A REQUEST FOR REVIEW IS NOT FILED WITH THE HOME WITHIN THE THIRTY (30) DAY PERIOD, YOU MAY NONETHELESS DIRECTLY FILE AN OBJECTION WITH THE COURT WITHIN SIXTY (60) DAYS FROM THE MAILING OF THIS NOTICE. You do not have to file the Request for Review as a prerequisite to dispute the Notice of Determination. Please see Section 2B (below) for the Objections to Denial of Claims.~~

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B. If your claim is disallowed in whole or in part, you may file an Objection with the Court at

Office of the Clerk, Merrimack County Superior Court  
163 N. Main Street, P.O. Box 2880  
Concord, New Hampshire 03301-2880  
Attention: The Home Docket No. 03-E-0106

within sixty (60) days from the mailing of the Notice of Determination and bypass the Request for Review procedures as noted in Section 2A (above). If the Request for Review is timely filed, as outlined in Section 2A, the Liquidator will inform you of the outcome of the review and issue to you a Notice of Redetermination. If the redetermination is to disallow the claim, you may still file an Objection with the Court. You have sixty (60) days from the mailing of the Notice of Redetermination to file your Objection. Please also sign and return the Acknowledgment of Receipt form and mail a copy of the Objection to the Liquidator.

IF YOU DO NOT FILE AN OBJECTION WITH THE COURT WITHIN EITHER SIXTY (60) DAYS FROM THE MAILING OF THIS NOTICE OF DETERMINATION OR SIXTY (60) DAYS FROM THE MAILING OF ANY NOTICE OF REDETERMINATION, YOU MAY NOT FURTHER OBJECT TO THE DETERMINATION.

A timely filed Objection will be treated as a Disputed Claim and will be referred to the Liquidation Clerk's Office for adjudication by a Referee in accordance with the Procedures.

3. You must notify The Home of any changes in your mailing address. This will ensure your participation in future distributions, as applicable. For purposes of keeping The Home informed of your current address, please notify us at the address given on the letterhead above.

Sincerely yours,

Peter Bengelsdorf, Special Deputy Liquidator  
For Roger A. Sevigny, Liquidator  
of The Home Insurance Company in Liquidation

~~If you wish to speak to someone regarding this Notice of Determination, please contact:~~

~~Ron Barta  
Senior Manager  
Home Insurance Company in Liquidation  
Phone : 212-530-4054~~

THE HOME INSURANCE COMPANY IN LIQUIDATION

P.O. Box 1720

Manchester, New Hampshire 03105-1720

Tel: (800) 347-0014

POC #: CLMN712396-01

Amount Allowed: \$ 0

Harry L Bowles  
306 Big Hollow Lane  
Houston, TX 77042

ACKNOWLEDGMENT OF RECEIPT

I hereby acknowledge receipt of the Notice of Determination as a Class II Creditor claim and confirm that I understand the content thereof. I further acknowledge and confirm that I understand the Instructions regarding the Notice of Determination of my Claim against The Home Insurance Company in Liquidation and in that regard advise as follows:

(Check off all applicable items.)

I agree to the determination.

I reject the determination and want to file a Request for Review (specific reasons must be included along with return of the signed Acknowledgment).

I reject the determination and intend to file a separate Objection with the Court, without filing a Request for Review.

I have not assigned any part of this claim.

I have not made any other recoveries with respect to this claim.

I have not sought and do not intend to seek any other recoveries with respect to this claim.

I have made recovery from others with respect to this claim (full details must be included with this Acknowledgement).

I have sought or intend to seek recovery from others with respect to this claim (full details must be included with this Acknowledgement).

I request that The Home mail further correspondence to:

\_\_\_\_\_ Same name as above.  
New name \_\_\_\_\_

\_\_\_\_\_ Same address as above  
New address \_\_\_\_\_  
\_\_\_\_\_

This Acknowledgment of Receipt must be completed, signed and returned to The Home in order to be eligible for distributions from The Home estate as directed by the Court.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT 9**

To: Office of the Clerk,  
Merrimack County Superior Court  
163 N. Main Street, P.O. Box 2880  
Concord, New Hampshire 03301-2880

Copy: Liquidator  
Home Ins. Co. In Liquidation  
P. O. Box 1720  
Manchester, NH 03105-1720

**Attention: The Home Docket No. 03-E-0106**

**OBJECTION TO DENIAL OF CLAIM**

**REQUEST FOR REVIEW OF DISALLOWED CLAIM**

**HOME INSURANCE COMPANY IN LIQUIDATION**

CLAIMANT: HARRY L. BOWLES, 306 BIG HOLLOW LANE, HOUSTON, TX 77042

PROOF OF CLAIM NO. CLMN712396-01

AMOUNT OF CLAIM \$3.1 Million

AMOUNT ALLOWED NONE

**Foreword**

1. Bowles sought damages for legal malpractice pursuant to a professional liability policy issued by Home to the law firm Bishop, Peterson & Sharp, P.C., Houston, Texas. Claim disallowed for alleged reason that Bowles' claims were made in a lawsuits against Bishop, Peterson & Sharp, P.C. and against George M. Bishop, resulting in summary judgments and dismissal of said lawsuits. The claim was disallowed on the allegation that Bowles claims against the insured persons were adjudicated in insureds' favor. Bowles was advised by letter dated October 22, 2008 (Attached as Exhibit A).

**Bowles' Response In Objection To Disallowance Of Claim**

**HISTORICAL AND CHRONOLOGICAL NARRATIVE**

2. Subject Proof of Claim No. CLMN712396 was acknowledged as received by HICIL on February 7, 2008

3. Subject Proof of Claim is a third-party claim by Bowles based on HICIL's liability for coverage of damages in a legal malpractice lawsuit in Harris County, Texas filed by Bowles in 1995 against the law firm Bishop, Peterson & Sharp P.C. ("BPS") and against its individual shareholders. The style and venue of the case is Bowles vs. George M. Bishop, et al, Cause No. 1995-43235 in the 151st District Court, Houston, Texas.

4. George M. Bishop ("Bishop"), the president of BPS, entered into a contingency fee contract in November 1992 to provide services for Bowles the underlying embezzlement case, Bowles vs. Schwarz, Cause No. 1991-25939 to its termination by final judgment or appellate decision.

5. BPS first purchased a 1-year professional malpractice policy from Home Insurance Company, Policy No. LPL- F871578, under which coverage began on January 24, 1992. BPS then purchased a 1-year renewal of the policy.

6. In December 1993 Home Insurance Company notified BPS that the policy would be cancelled without right of renewal effective February 6, 1994. The reason given was "due to recent claim activity and past claim frequency".

7. On March 11, 1994 Bishop and BPS were granted leave to withdraw as Bowles' counsel in Cause No. 1991-25939 on the allegation that the client (Bowles) had refused to follow his attorney's instructions and had made a terroristic threat against an official of the court.

8. In April 1994 BPS, with Bishop acting as its counsel, reentered Cause No. 1991-25939 by filing a suit in intervention against Bowles, fraudulently claiming that its contingency fee contract was actually an assignment from Bowles to BPS of a 40 percent of the distributions due Bowles from a sale of a company by a court-appointed receiver.

9. On March 31, 1995 Bowles withdrew his consent to a Settlement Agreement dated October 25, 1993 in Cause No. 1991-25939 charging receivership fraud, conspiracy and breach of contract. Under Texas law, this resulted in suspension of all further litigation of the litigation and return of the case to its status prior to the Settlement Agreement. Bishop filed a sworn pleading agreeing that Bowles' action was legal and justified.

10. On April 10, 1995 Bishop joined all other counsel in endorsing a Receiver's Final Report and Discharge Order over Bowles' objections. In disregard of Bowles' pleadings as a pro se litigant, this Order was carried forward as a final judgment in August 1996 in which BPS was awarded \$226,000 and Bowles received \$60,000. There is no final judgment in Cause No. 1991-25939 in which either Bishop or BPS is declared a prevailing party.

11. In August 1995, Bowles filed the above-mentioned legal malpractice lawsuit in the 151st District Court, Cause No. 1995-43235, naming BPS and its shareholders individually and collectively as defendants.

12. The defendants answered the Bowles' malpractice suit with stock responses, after which the litigation languished after Bishop was convicted and incarcerated for felony conduct by a federal court and was disbarred by the State Bar of Texas. Bowles resumed litigation activity in 2001. Bishop and BPS refused to employ legal counsel or respond to discovery, and the court refused to rule on Bowles' numerous motions, including motions for sanctions and motions for summary judgment.

13. In July 2005 Bowles received a mysterious cryptic telephone message from a purported HICIL clerk in New York inquiring about the status of a legal malpractice claim by Bowles in the records of Home Insurance Company, an insolvent insurance company being liquidated. The clerk indicated the claim had been referred to the Texas Property and Casualty Insurance Guaranty Association ("TPCIGA"). There were no additional details given.

14. In June 2005 Bowles demanded the 151st Court move the Cause No. 1995-43235 along. Bishop and BPS were self-represented at that point. Then suddenly there appeared on the scene in August 2005 John Marshall of the Houston law firm Marshall & McCracken, P.C. ("M&M") as defense counsel representing only and solely BPS to the exclusion of any of the BPS shareholders who were and are real parties in interest. This was a fraud whereby Bishop was not required to participate in the litigation in any way, even to the point that no sworn affidavits by any BPS officials were required. Bowles' sworn affidavits were at all times disregarded in favor of unsworn pleadings filed by M&M.

15. Heavy litigation activity between Bowles and BPS ensued. M&M, as had Bishop over many years during the litigation at all times refusing to respond to discovery requests for any insurance contracts in force to cover any legal malpractice liability should Bowles prove to be the prevailing party in the litigation.

16. On October 7, 2005 Bowles was again given cryptic information in a telephone call from HILIC's Ron Barta in New York. As recalled by Bowles, Barta stated a claim or notice of pending claim against BPS was sent to HICIL on an undisclosed date in 1993. He stated a claim number was assigned to it, and that it was sent to TPCIGA to be handled. He stated that TPCIGA had assigned its own claim number to it, EL382760093001000063. Barta did not state who had sent HICIL the alleged claim in 1993 and on what date it was received.



17. Ignoring Bowles' responses to M&M's unsworn motion for summary judgment and without ruling on Bowles' countering sworn motion for summary judgment, the 151st Court proceeded in June 2006 to issue a summary judgment in favor of BPS against Bowles, dismissing all of Bowles' causes of action against BPS. This summary judgment was effected as a "death penalty sanction" against Bowles attorney, James D. Farmer for his alleged failure to file a response to a rhetorical question of no particular importance to any issues in dispute.

18. On a Motion by M&M, the 151st Court's June 2006 Order of Summary Judgment against Bowles in favor of BPS was severed from the main case in July 2006 as Cause No. 1995-43235-A. This was done over Bowles' strenuous objections.

19. Immediately thereafter, M&M filed for defendants George Bishop and George Bishop & Associates a motion for summary judgment in the 151st Court requesting a dismissal of all Bowles' causes of action against these parties based on the same set of pleadings for which the court had granted summary judgment to BPS. Despite Bowles responsive pleadings and countersuit, the court granted Bishop's motion. Thus, all parties were dismissed by actions initiated by M&M, and in which M&M represented itself as having authority to act as defense counsel in defense of Home Insurance Policy No. LPL-F871578.

20. In 1995 and 1996, Bowles strongly suspected that M&M's refusal to produce a copy of an insurance contract constituted a cover up of fraud. M&M responded to discovery requests with nonsensical statements such as, "This information can be obtained through the Texas Insurance Code".

21. After heated exchanges of letters between Bowles, his attorney, M&M, and TPCIGA were without result, Bowles' attorney filed on August 29, 2006 a Rule 12 Motion for Defense

Counsel to Show Authority. Bowles requested all pleadings and orders secured by M&M be stricken.

22. Eventually, after 3 months of litigation, the 151st Court ordered M&M to produce a copy of the Home Insurance policy alleged by TPCIGA as applicable to cover the possible BPS liability in Bowles' malpractice lawsuit and that purportedly authorized M&M's presence as defense counsel in the case. The policy (Policy No. LPL-F871578) was not produced until September 19, 2006 accompanied by a vitriolic pleading that Bowles' Rule 12 motion was a "desperate" attempt to rid himself of a summary judgment rendered against him.

23. In the July and August 2006 litigation Bowles learned for the first time from TPCIGA that TPCIGA had employed M&M in violation of Texas law requiring it to send Bowles a Summary of Rights and Obligation of Third-Party Claimants Under the Guaranty Act (Art. 21.28-C, Texas Insurance Code). TPCIGA also stated at that time that "Home had notice of Mr. Bowles' claim against BPS prior to liquidation", referring to its Claim No. EL-38-27-60093.

24. On August 25, 2006 Bowles notified TPCIGA that he had never filed a claim with TPCIGA or with Home Insurance Company and would not do so, preferring to exercise his option to file a third-party claim with HICIL. This barred TPCIGA from exercising authority to be a third-party defendant and employing M&M to defend the Home policy.

25. On September 12, 2006 M&M submitted the BPS response to Bowles' Rule 12 action. The response alleges that, "**in December 1993 Bowles made a claim against BPS over Bowles representation by attorney George Bishop**", and "**The Home Insurance Company had notice of Mr. Bowles' claim against BPS prior to liquidation and the Liquidator forwarded the claim file to TPCIGA shortly after the company was declared insolvent**".

26. The M&M September 12, 2006 response included an affidavit of TPCIGA's Amber A. Walker dated September 6, 2006. (Attached as EXHIBIT B). Ms. Walker declared that, "at some point", Bowles had asserted a claim against BPS and that BPS demanded a defense and indemnity from Home in accordance with Home Policy No. LPL-F871578. **She also attacked Bowles' statement that he had been denied an opportunity to file proof of claim with the Liquidator by declaring that Bowles had indeed filed a proof of claim with the estate, but that it was in regard to a shooting incident apparently unrelated to the Home Insurance Company or to BPS.**

27. Ms. Walker's September 2006 affidavit revealed to Bowles for the first time that TPCIGA's Claim No. EL 382760093 was in no way related to Bowles' 1995 legal malpractice suit against Bishop, et al., and that TPCIGA had fraudulently moved to become a third-party defendant in Cause No. 1995-43235 by employing M&M to defend BPS.

28. Bowles had, in fact, erroneously filed a proof of claim with HICIL in August 2003 regarding a dispute with a landlord about a security problem that arose after a burglary and attempted murder. The insured was listed as Houston Real Estate Services, aka ETS Interests. HICIL never responded to this filing, and Bowles settled the matter with another insurance company.

29. After receipt of the affidavit by TPCIGA's Ms. Walker, Bowles requested in October 2006 a status report for the proof of claim filed in August 2003. In a response dated October 16, 2006, HICIL's Ronald Barta attached a copy of the proof of claim showing it to be numbered CLMN380570. Barta stated that Home Insurance ceased writing liability policies in 1995, thus would not provide coverage for an event occurring in 2002. He pointed out that the proof of claim did not identify a Home policy or a Home insured, and stated he would be recommend the

proof of claim be disallowed. Mr. Barta's letter made no mention of the fact that he had earlier told Bowles in a telephone message that the claim had been assigned to TPCIGA as a "possible covered claim" and that TPCIGA had initiated legal action based on that assignment. Barta stated he would recommend the claim be disallowed unless other information was sent to him.

30. Subsequently, but two years later, on **October 22, 2008**, the HICIL Liquidator sent Bowles a formal rejection of Bowles' August 2003 proof of claim. The rejection was based on there being no record of Home never having issued an insurance policy to Houston Real Estate or ETS Interests. This Notice of Determination was issued some 3 years after the proof of claim had been utilized by TPCIGA as a "possible covered claim" to serve as a pretext for their authority to defend the Home malpractice policy in Cause No. 1995-43235. It was issued five years after Bowles first filed the illegitimate proof of claim.

31. On October 31, 2006 Bowles' attorney James Farmer wrote Mr. Barta requesting from him a statement disclaiming the statements in the affidavit by TPCIGA's Ms. Walker that TPCIGA was given authority by HICIL to assume that proof of claim number CLMN380570 was a "possible covered claim" or a "covered claim" and use this as a pretext to intermeddle in Cause 1995-43235 by employing counsel to defend the cancelled insurance policy. The purpose of this request was to discover whether or not HICIL had transmitted Bowles' August 2003 proof of claim to TPCIGA without first contacting Bowles, and without HICIL itself having determined that the claim was ineligible for consideration as a covered claim. Barta refused to issue such a disclaimer.

32. On December 21, 2006 attorney Farmer sent a letter to HICIL's Mr. Thomas Kober requesting (pursuant to TPCIGA's Ms Walker's sworn statement) the following: (a) a document

showing the date and substance of the claim that Mr. Bowles allegedly asserted against Home, and (b) a copy of a purported document containing the date and substance of a demand that BPS or any insured made to Home for a defense and indemnity by Home against a claim made by Bowles. Mr. Kober refused to respond to attorney Farmer's request.

33. Instead, the two letters to Barta and Kober were responded to on March 2, 2007 by attorney Craig L. Reese of the Dallas, Texas law firm Fletcher & Springer, LLP. (**Attached as EXHIBIT C**). Mr. Reese pleaded that a claim under the Professional Liability Policy a "claim" is a "demand received by the insured for money or services, including the service of a suit. . ." Mr. Reese then proceeded to write, "It is our understanding that prior to the termination date of the Professional Liability Policy, your client (Bowles) forwarded a demand letter to the Insured Law Firm. The Insured Law Firm then notified Home within the policy period outlined above. For purposes of the Professional Liability Policy, a claim was timely reported alleging acts or omissions that potentially invoked coverage under the Professional Liability Policy. . . Although the lawsuit was not filed by your client . . . until August of 1995, potential coverage had been invoked by notice of the claim and Home undertook to provide a defense . . ."

34. Glaringly, attorney Reese refused to provide the requested documents to prove TPCIGA's sworn testimony that Bowles had made a malpractice claim against BPS prior to the policy expiration date and that BPS then demanded a defense and indemnity under the policy. He stated that this information was not available in New York because the entire file had been forwarded to TPCIGA. He suggested contacting TPCIGA for the information, even though it was known that TPCIGA had no such information.

35. Faced with intransigence and inability to obtain easily available information from both HICIL and from TPCIGA regarding Bowles' Rule 12 action, Bowles took the extreme step of

filing a federal lawsuit against HICIL and TPCIGA in 2007. This action developed additional information when HICIL included in its first response a revelatory affidavit by Mr. Barta. (A copy of said affidavit is attached as EXHIBIT D).

36. Mr. Barta's affidavit make it clear that HICIL acted affirmatively to present Bowles' August 2003 proof of claim to TPCIGA with the intent that TPCIGA consider it a covered claim under Home Policy No. LPL-F871578. Bowles was not notified in 2003 of the transfer of the proof of claim, thus, the transfer must have taken place in 2005 when Bowles received a telephone message from a mysterious cryptic message to that effect from a person claiming to be a HICIL employee.

37. HICIL certainly was aware when Bowles' August 2003 proof of claim was sent to TPCIGA that the claim had no possible connection to Bowles' malpractice suit against Bishop. Further, TPCIGA had a duty, as did HICIL, to notify Bowles of his option to pursue a claim either through the HICIL Liquidator or through TPCIGA. Bowles received no such notice. Instead, there were cryptic telephone messages, and TPCIGA proceeded to become a third-party defendant in Cause No. 1995-43235 in complete secrecy.

38. Germane here is the fact that Bowles' Third Motion to Compel was filed against Bishop on October 4, 2004. Then, as he did over a three-year period, Bishop refused to provide any information whatsoever regarding liability insurance coverage. Bishop's refusal to respond to discovery constituted an admission that neither he nor BPS had insurance coverage. This proved to be the case when Policy No. LPL-F871578 was finally produced in September 2006. Bishop apparently suborned HICIL and TCPIGA to escape from this dilemma.

39. Despite M&M's total inability to provide to provide evidence that either HICIL or TPCIGA had authority to employ M&M to intermeddle as third-party defendants in Cause No.

1995-43235, the 151st Court denied Bowles' Rule 12 Motion to Show Authority on September 27, 2006. This order was issued almost immediately after a copy of the Home professional malpractice liability policy was provided to Bowles.

40. At no time from July through September 2006 during litigation about the Rule 12 Motion to Show Authority was there ever an appearance before the court by George M. Bishop, president of BPS. This is compatible with his refusal to respond to any and all discovery filed by Bowles over many years.

#### CONCLUSIONS

41. The primary conclusion immediately apparent from the above saga of corruption was expressed by attorney James D. Farmer in a letter dated July 31, 2006 to an official of TPCIGA as follows: " It has now become clear to us that Bowles has been the victim of fraud and deceit and obstruction of justice regarding coverage of BPS under a legal malpractice insurance contract issued by The Home Insurance Company. The Association (TPCIGA) has been complicit in this newly discovered long-running defalcation". Further information developed by Bowles' Rule 12 Motion to Show Authority proved that HICIL was a co-conspirator with TPCIGA and others in carrying out in this fraudulent scheme.

42. The depth and blatancy of the fraud and violations of rights perpetrated against Bowles by HICIL in conspiracy with TPCIGA and others is illustrated in many ways:

- By the actions of HICIL's Ron Barta's office in New York knowingly transmitting an illegitimate proof of claim to TPCIGA three years after its receipt, and the action by that office to subscribe to and approve its use by TPCIGA as authorization to employ M&M as defense counsel for BPS to defend Home Policy No. LPL-F871578.

- This act constituted prima facie evidence of the initiation of conspiracy between Barta and perhaps others within HICIL, unknown officials of TPCIGA and George Bishop.
- HICIL's absolute refusal to provide Bowles with verified documentation that he (Bowles) made complaints of legal malpractice to BPS in 1993.
- No such documentation exists, and Bowles under oath has denied ever submitting a claim. This HICIL contrived claim constitutes perjury and is prima facie evidence that a conspiracy was knowingly planned, and implementing furtherance of conspiracy.
- HICIL's absolute refusal to provide Bowles with verified written documentation showing the date and substance of the purported demand for coverage under the policy by the insureds submitted to Home Insurance as a result of Bowles' purported complaints of legal malpractice.
- As above, prima facie evidence of implementation and furtherance of conspiracy.
- HICIL's statement that it had a right to provide BPS with defense counsel on a voluntary basis even if a defense was not owed (due to the insurance contract having been cancelled).
- Under no theory of law does an insurance company have a right to abrogate the terms of a policy for a selected privileged party to provide benefits to uninsured parties. The act of going outside the expiration of the policy to provide special treatment to the spouse of an influential Texas State District judge is prima facie evidence of "subornation of office", a form of bribery.
- HICIL's refusal to provide verified documentation showing that HICIL properly provided BPS with defense counsel under authority of the Discovery Clause of its insurance policy.



- As above, HICIL has no obligation or causation to provide free legal aid to an uninsured party. In this case, ongoing discovery has uncovered the fact that HICIL and TPCIGA made a covert and illegal secret deal for political reasons to curry favor with the judiciary. Subornation of office is recognized as a form of bribery.
- The obviously false statements made under oath by TPCIGA's Amber Walker that Home Insurance became aware of Bowles' lawsuit in the 1996 time period and contracted with George Bishop to provide a defense (pro se) until the \$10,000 deductible was met; and the refusal of HICIL and TPCIGA to provide a copy of the alleged employment contract between HICIL and Bishop.
- These openly contrived and self serving statements have been indisputably proven to be lies. Perjury in a legal proceeding with intent to harm another is codified as "Aggravated Perjury" under the Texas Penal Code. This proven act of perjury is prima facie evidence of conspiracy and cannot be ignored by the court. Most damning is that perjury was committed by "an Officer of the court." The court must recognize that the purpose of submitting false statements was to further the conspiracy and protect the wrongdoers as the conspiracy was being discovered by Bowles.
- The action by the HICIL Liquidator on October 2008 to issue two Notices of Determination simultaneously, one to reject Bowles' proof of claim submitted to HICIL in August 2003, and the other to reject Bowles' proof of claim submitted to HICIL in February 2008.
- This act validates that there were now so many conspirators drawn into the ever growing conspiracy that the left hand knew not what the right hand was doing. The conspirators working in two (2) different states had escalated the conspiracy into a "CHAIN

CONSPIRACY", as defined in Black's Law Dictionary. So many conspirators were now issuing conflicting documents, statements, etc. they were unable to keep up with the growing paper trail of conflicting statements and documents. The conspiracy started coming apart at the seams by conflicting cross actions trying to protect each other, ending up validating the conspiracy allegations against them by their own incriminating deeds and words

- The fact that the Liquidator acted to reject Bowles' February 2008 proof of claim based on his taking judicial notice of the dismissal of Bowles' causes of action against BPS in the Texas 151st District Court, while at the same time HICIL disclaimed ever having been a party (a third-party defendant) in Cause No. 1995-43235.
- "Alice in Wonderland" had come to life. Back and forth through the "looking glass". Perhaps Alice had help from Dr. Suess, declaring "I am what I am, but I am not what I am."
- The fact that the Liquidator issued a Notice of Determination of Bowles' August 1993 proof of claim on October 22, 2008 despite the fact that Bowles, through attorney James Farmer, had given HICIL notice of withdrawal of the claim by letter dated October 31, 2006.
- Once the Genie is out of the bottle, it will not go back in the bottle.
- The fact that George Bishop, the president of BPS, never appeared in the court and made no affidavits and gave no testimony.
- It pays to be married to a judge, and in the court of your judge wife's best friend. Need more be said? Well yes, Mr. Bishop did confide to Lawyer James Farmer and Bowles that he and the Judge walked their dogs together in the evenings.

- The fact that the Liquidator issued a Notice of Determination rejecting Bowles' August 1993 proof of claim on October 22, 2008 even though HICIL had sanctioned its use by TPCIGA as a covered claim to authorize its employing defense counsel for BPS in Cause No. 1995-43235.
- The conspiracy could not be put back together after it fell apart. In every conspiracy involving more than two (2) people, the longer the conspiracy is in action, the more people are drawn in, the more loose ends to cover up. With expansive growth over a protracted period of time, the chain conspiracy starts self destructing as happened in this case. The perjury that has been committed in this case is factually overwhelming.

#### REQUEST FOR RELIEF

43. In light of the demonstrated conspiratorial, fraudulent and deceitful conduct by HICIL, Bowles requests that this Court find the subject Notice of Determination to be a bad faith rendering that must be stricken from the record.

44. Bowles requests the Court order that HICIL revise its Notice of Determination to show that the Liquidator's rejection of the claim is based on the Liquidator's determination that HICIL has been victimized by the fraudulent conduct of HICIL officials in its New York office in conspiracy with TPCIGA officials and others in Texas.

45. Bowles requests the Court order the Liquidator to issue a disclaimer to any and all actions by HICIL concerning in any way HICIL's involvement in Cause No. 1995-25939; and to admit that HICIL at no time ever gave TPCIGA any authority, by and through Bowles' August 2003 proof of claim, to employ defense counsel in Texas to officiously intermeddle in Cause No. 1995-43235.

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

Respectfully submitted,



Harry L. Bowles (pro se)

306 Big Hollow Lane

Houston, Texas 77042

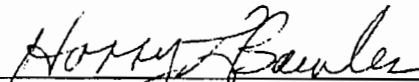
Tel 713-983-6779

Fax 713-983-6722

Attachments

Certificate of Service

I certify that on THIS 20 TH DAY OF DECEMBER, 2008 a copy of the foregoing was forwarded by U.S. Mail for one-day delivery with delivery confirmation to the parties appearing on the first page hereof.

---

Harry L. Bowles

**THE HOME INSURANCE COMPANY IN LIQUIDATION**

P.O. Box 1720

Manchester, New Hampshire 03105-1720

Tel: (800) 347-0014

Date: 10/22/2008

Class: II

Harry L Bowles  
306 Big Hollow Lane  
Houston, TX 77042

RE: NOTICE OF DETERMINATION  
Proof of Claim No.: CLMN712396-01

2008 OCT 22 PM 1:04

Determination Summary

Gross Amount of Claim : \$ 3,100,000.00  
Amount Allowed by Liquidation : \$ 0

Explanation: Your Proof of Claim seeks an allowance for damages you allege you sustained as a result of alleged professional misconduct by Bishop, Peterson & Sharp P. C. and George M. Bishop pursuant to a professional liability policy The Home Insurance Company n/k/a The Home Insurance Company in Liquidation issued to the firm and its individual partners. You made these allegations in law suits you brought against the firm and Mr. Bishop. The suits have been subject to dismissal and summary judgment in the insureds' favor. Because your claims have been previously adjudicated and you have not been awarded any damages against the insureds, this Proof of Claim has been disallowed.

You have filed another Proof of Claim CLMN380570. You will be receiving a separate Notice of Determination with respect to that Proof of Claim.

Dear Claimant :

The purpose of this letter is to provide you with a determination set forth above of claims you have presented to The Home Insurance Company in Liquidation ("The Home"), under the Proof(s) of Claim specified above. The Home expects to present notice of this determination to the Superior Court for Merrimack County, New Hampshire (the "Court") for approval in accordance with New Hampshire Revised Statute, RSA 402-C:45. Read this Notice of Determination carefully as it sets forth your rights and obligations in detail.

**EXHIBIT A**

The Home has now made a Determination on the claims as set forth above in accordance with The Home Claim Procedures (the "Procedures")\* approved by the Court. If the claim has been allowed, in whole or in part, it has been assigned a Class II priority as a "policy related claim" pursuant to the Order of Distribution set forth in RSA 402-C:44 and will be placed in line for payment as directed by the Court from the assets of The Home. The first \$50 of the amount allowed on each claim in this class shall be deducted from the amount distributed as specified in RSA 402-C:44.

You may have other claims against The Home for which you may receive other Notices of Determination. You will have a separate right to dispute each Notice of Determination. If your claim has been allowed in whole or in part, this Notice of Determination does not mean that your claim will immediately be paid, or that it will be paid in full or at all. Pursuant to order of the Court, The Home may make distributions of its assets as a percentage of all allowed claims in a particular priority class in The Home estate as approved by the Court. The amount of the final payment for allowed claims will be determined by the final ratio of assets to liabilities and the applicable priority. Please be advised that the final percentage of payment you receive from The Home, at the time The Home estate is finally closed, is the total payment amount that you will be entitled to for this claim.

The Liquidator does not expect there to be assets sufficient to make a distribution to creditors in classes below Class II.

Any and all distributions of assets may be affected and/or reduced by any payments you have received on this claim from any other sources not listed on the Notice of Distribution. Any such distributions by The Home are based on The Home's knowledge and/or understanding of the amounts you have received in settlement and/or reimbursement of this claim from all other sources at the time of the allowance or thereafter. Should The Home subsequently become aware of prior recoveries from other sources The Home has the right to reduce its future distribution payments to you to the extent of such other recoveries or to seek and obtain repayment from you with respect to any previous distributions that were made to you.

Further, if you seek or receive any future payment from any other source on this claim after you receive a distribution payment from The Home you must notify The Home at the address below and The Home has the right to recover from you the distribution payments in whole or in part, to the extent of any such other future recoveries.

As a condition to receipt of any distributions, The Home shall be entitled to any rights to subrogation you may have against any third party and you shall be deemed to have assigned to The Home such rights upon receipt of any distributions. You shall also be obliged to reimburse The Home for any legal fees or other costs associated with The Home recovering from you any distribution payments to which you are not entitled.

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\*A copy of the January 19, 2005 Restated and Revised Order Establishing Procedures Regarding Claims Filed With The Home Insurance Company in Liquidation may be obtained from the website of the Office of the Liquidation Clerk for The Home Insurance Company in Liquidation and US International Reinsurance Company in Liquidation, [www.hicilclerk.org](http://www.hicilclerk.org)

The following instructions apply to this Notice of Determination:

Claim Allowed

1. If this claim has been allowed in whole or in part and you agree with the determination, sign and date the enclosed Acknowledgment of Receipt of the Notice of Determination and mail the completed Acknowledgment to The Home.

Claim Disallowed

2. A. If all or part of your claim has been disallowed or you wish to dispute the determination or creditor classification for any reason, you may file a Request for Review with the Liquidator. The Request for Review is the first of two steps in the process of disputing a claim determination. The Request for Review must be received by The Home within thirty (30) days from the date of this Notice of Determination.

REQUEST FOR REVIEW FILING REQUIREMENTS:

- (a) Sign and return the attached Acknowledgment of Receipt form.
- (b) On a separate page, state specifically the reasons(s) you believe that the determination is in error and how it should be modified. Please note the Proof of Claim number on that page and sign the page.
- (c) Mail the Request for Review to:  
The Home Insurance Company in Liquidation  
P.O. Box 1720  
Manchester, NH 03105-1720

You should keep a copy of this Notice of Determination, Acknowledgment of Receipt and Request for Review, then mail the Original Request for Review to us by U.S. Certified Mail.

- (d) The Request for Review must be received by The Home within thirty (30) days from the date of this Notice of Determination. The Request for Review must be in writing.
- (e) The Liquidator will inform you of the outcome of the review and issue to you a Notice of Redetermination.

IF A REQUEST FOR REVIEW IS NOT FILED WITH THE HOME WITHIN THE THIRTY (30) DAY PERIOD, YOU MAY NONETHELESS DIRECTLY FILE AN OBJECTION WITH THE COURT WITHIN SIXTY (60) DAYS FROM THE MAILING OF THIS NOTICE. You do not have to file the Request for Review as a prerequisite to dispute the Notice of Determination. Please see Section 2B (below) for the Objections to Denial of Claims.

B. If your claim is disallowed in whole or in part, you may file an Objection with the Court at

Office of the Clerk, Merrimack County Superior Court  
163 N. Main Street, P.O. Box 2880  
Concord, New Hampshire 03301-2880  
Attention: The Home Docket No. 03-E-0106

within sixty (60) days from the mailing of the Notice of Determination and bypass the Request for Review procedures as noted in Section 2A (above). If the Request for Review is timely filed, as outlined in Section 2A, the Liquidator will inform you of the outcome of the review and issue to you a Notice of Redetermination. If the redetermination is to disallow the claim, you may still file an Objection with the Court. You have sixty (60) days from the mailing of the Notice of Redetermination to file your Objection. Please also sign and return the Acknowledgment of Receipt form and mail a copy of the Objection to the Liquidator.

IF YOU DO NOT FILE AN OBJECTION WITH THE COURT WITHIN EITHER SIXTY (60) DAYS FROM THE MAILING OF THIS NOTICE OF DETERMINATION OR SIXTY (60) DAYS FROM THE MAILING OF ANY NOTICE OF REDETERMINATION, YOU MAY NOT FURTHER OBJECT TO THE DETERMINATION.

A timely filed Objection will be treated as a Disputed Claim and will be referred to the Liquidation Clerk's Office for adjudication by a Referee in accordance with the Procedures.

3. You must notify The Home of any changes in your mailing address. This will ensure your participation in future distributions, as applicable. For purposes of keeping The Home informed of your current address, please notify us at the address given on the letterhead above.

Sincerely yours,

Peter Bengelsdorf, Special Deputy Liquidator  
For Roger A. Sevigny, Liquidator  
of The Home Insurance Company in Liquidation

If you wish to speak to someone regarding this Notice of Determination, please contact:

Ron Barta  
Senior Manager  
Home Insurance Company in Liquidation  
Phone : 212-530-4054



**AFFIDAVIT**

THE STATE OF TEXAS    §  
                                  §  
                                  §  
COUNTY OF TRAVIS    §

BEFORE ME, the undersigned authority, a Notary Public in and for the aforesaid jurisdiction, on this day personally appeared Amber A. Walker, known to me to be the person whose name is subscribed hereto, and who, being by me first duly sworn, on her oath deposes and says:

My name is Amber A. Walker. I am a licensed attorney in the State of Texas and am employed as a Senior Claims Attorney for the Texas Property and Casualty Insurance Guaranty Association ("TPCIGA"). I am over the age of twenty-one (21), have never been convicted of a felony or crime of moral turpitude, and am fully competent to testify. Except as otherwise specifically set forth herein, I have personal knowledge of the facts stated herein. All such facts are true and correct.

In my capacity as a Senior Claims Attorney for TPCIGA, I am well acquainted with Tex. Ins. Code art. 21.28-C (the "Guaranty Act") and the Guaranty Association. Moreover, I am familiar with the nature and history of Plaintiff's claim against Bishop, Peterson & Sharp, P.C.

Home Insurance Company ("Home") issued a legal liability policy to the law firm of Bishop, Peterson & Sharp, P.C. At some point after Mr. Bowles asserted his claim against Bishop, Peterson & Sharp, P.C. and related insureds, the insureds demanded a defense and indemnity from Home in accordance with the terms and conditions of the Home policy.

A New Hampshire court placed Home in liquidation on June 13, 2003. Thereafter, the Texas Commissioner of Insurance designated The Home Insurance Company an "impaired insurer" on June 26, 2003. In accordance with the provisions of Tex. Ins. Code Ann. art. 21.28-C, TPCIGA handles certain claims by and against insureds of impaired insurers.

Shortly after insolvency and the subsequent impairment, the Liquidator of Home Insurance Company forwarded this claim to TPCIGA for review as a possible "covered claim," as that term is defined in the Guaranty Act. The claim was assigned to claims examiner Barbara Marsh for handling. Ms. Marsh first reviewed the claim for TPCIGA on or about July 29, 2003. I first reviewed the claim for possible coverage issues on or about October 14, 2004. Because our investigation indicated that this claim might present a "covered claim," TPCIGA undertook to handle this claim on behalf of the now-dissolved insured law firm,

**EXHIBIT B**

while expressly reserving its rights to assert and rely upon any policy provisions or terms in the Guaranty Act that might limit coverage.

Prior to its insolvency, the Home Insurance Company had an agreement with George M. Bishop, a former partner of Bishop, Peterson & Sharp, P.C., that he would represent the named insured and related insureds in *Bowles v. George M. Bishop, et al.* until the amount of the policy deductible had been met. Once the insured's deductible had been met, TPCIGA secured the services of counsel in the Houston area to assume the defense of Bishop, Peterson & Sharp, P.C. Accordingly, TPCIGA retained the firm of Marshall & McCracken, P.C. to represent the named insured in this litigation.

By letter of August 11, 2006, I advised attorney James D. Farmer, counsel of record for Harry Bowles in the above-styled suit, that TPCIGA had been aware of Mr. Bowles' claim since shortly after the Home Insurance Company's demise and that it had retained Marshall & McCracken, P.C. to defend the Bishop, Peterson & Sharp, P.C. In that same letter, I also attempted to correct and explain a variety of other misstatements and/or misunderstandings apparent in correspondence received from Mr. Farmer, Mr. Bowles' attorney. A copy of that four-page letter is attached hereto as Exhibit "A."

Furthermore, any suggestion by Plaintiff that he was denied the opportunity to file a proof of claim is incorrect (see Exhibit E to Motion to Show Authority). A representative of Home Insurance Company, in liquidation, advised me on September 1, 2006 that the Liquidator sent Mr. Bowles notice of his right to file a proof of claim with the liquidation estate. Indeed, Mr. Bowles filed a proof of claim with the estate, although it referenced a shooting incident that was apparently unrelated to The Home Insurance Company and Bishop, Peterson & Sharp, P.C. Please note that a claim against the assets of the liquidation estate and a "covered claim" under the Guaranty Act are separate and distinct claims against separate entities.


Like most liability policies, the Home policy provided that Home Insurance Company had the right and duty to defend claims that fell within the coverage of the policy. Section 8(b) of the Guaranty Act provides that TPCIGA "shall undertake to discharge the policy obligations of the impaired insurer, including the duty to defend insureds under a liability policy, to the extent that the policy obligations are covered claims under the Act." Accordingly, pursuant to the terms and conditions of the policy and the Guaranty Act, Marshall & McCracken, P.C. has complete and full authority to represent Defendant Bishop, Peterson & Sharp, P.C. in the above-captioned lawsuit.

Further affiant sayeth not.



Amber A. Walker

SUBSCRIBED and SWORN TO, before me, on this the 7<sup>th</sup> day of September, 2006, to certify which witness my hand and seal of office.

  
Notary Public in and for the  
State of Texas

My Commission Expires:



HIR.9015

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,

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Merrimaack 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.

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.

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

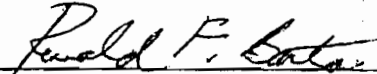
C-4

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.

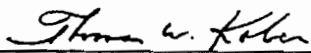
20. On October 16, 2006, I sent another letter to Mr. Farmer responding to Bowles's October 5, 2006 letter to Mr. Kober. A true and correct copy of the October 16, 2006 letter is attached hereto as Exhibit 4 and incorporated herein by reference. Mr. Farmer was advised that since Home had ceased writing 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  
15<sup>th</sup> 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. 43-4842498  
Qualified in Richmond County  
Commission Expires April 30, 18  
2011



B-135

**FLETCHER & SPRINGER, L.L.P.**

A Limited Liability Partnership  
Attorneys and Counselors

Dallas Office

8750 North Central Expressway, 16<sup>th</sup> Floor  
Dallas, Texas 75231  
Telephone: (214) 987-9600  
Facsimile: (214) 987-9866  
[www.fletchspring.com](http://www.fletchspring.com)

[craig@fletchspring.com](mailto:craig@fletchspring.com)

Craig L. Reese  
Certified Texas Board of Legal Specialization  
Civil Appellate

March 2, 2007

James D. Farmer, Esq.  
Attorney at Law  
P.O. Box 19798  
Houston, TX 77224

Via CMRRR #7160 3901 9849 6704 3779

Re: Litigation - Cause No. 1995-43235 - Harris County, Texas

Dear Mr. Farmer:

The Home Insurance Company in Liquidation ("Home") has requested that our firm respond to your recent correspondence regarding the above-referenced matter. In particular, our letter is in response to your correspondence dated October 31, 2006 to Mr. Ronald F. Barta, December 21, 2006 to Mr. Thomas W. Kober, and the documents you forwarded to Home on or about January 25, 2007.

Although you are certainly familiar with this matter, I believe it is necessary to correct a certain misconception prior to addressing your various letters. One of the primary issues in dispute in this matter appears to be what constitutes a "claim" with respect 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"). The Professional Liability Policy is a claims made and reported policy. Claims made and reported coverage covers occurrences which may give rise to a claim that comes to the attention of the insured and is made known to the insurer during the policy period. *Yancey v. Floyd West & Co.*, 755 S.W.2d 914, 918 (Tex.App.-Fort Worth 1988, writ denied). In order to invoke coverage under a claims made policy, a claim must be made against the insured during the policy period and the insured must notify the carrier during that same period. *National Union Fire Ins. Co. v. Willis*, 139 F. Supp. 2d 827, 832 (S.D. Tex. 2001), *aff'd*, 296 F.3d 336 (5<sup>th</sup> Cir. 2002). Under the Professional Liability Policy, a "claim" is defined as a "demand received by the insured for money or services, including the service of a suit...." (See Professional Liability Policy, Sec. B). While institution of a lawsuit is certainly one example of a claim, it is not the only thing that constitutes a claim under a claims made policy. It is our understanding that prior to the termination date of the Professional Liability Policy, your client forwarded a demand letter to the Insured Law Firm. The Insured Law Firm then notified Home within the policy period outlined above. For purposes of the Professional Liability Policy, 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, this was all that was necessary to

Austin Office

823 Congress, Suite 1300 • Austin, Texas 78701  
Telephone 512-476-5300 • Fax 512-476-5771

**EXHIBIT D**

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Page 2  
March 2, 2007

potentially invoke coverage under the policy at issue. Although the lawsuit was not filed by your client 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.

As you are aware, Home ceased writing new business in 1995 and on June 11, 2003, was declared insolvent and an Order of Liquidation was entered (a copy of which has been previously provided to you by Home). Home was then designated as an impaired insurer by the Texas Commissioner of Insurance on June 26, 2003.

Pursuant to the provisions of the Texas Property and Casualty Insurance Guaranty Act, *see* TEX. INS. CODE ANN. ch. 462 (Vernon Pamph. 2006) (formerly Art. 21.28-C), Home forwarded its entire claims file to the Guaranty Association because the pending lawsuit potentially constituted a covered claim under Section 462.201. TEX. INS. CODE ANN. § 462.201 (Vernon Pamph. 2006). Pursuant to the Act, the Guaranty Association undertook to discharge the duty to defend the Insured Law Firm. *Id.* at § 462.306(a).

Having forwarded the claims file to the Guaranty Association as it was required to do, Home has had no further involvement with the matters at issue. In fact, 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...." This includes defending or settling Mr. Bowles's claim against Home's insured.

We also note that Home is not a party to the above-referenced litigation. Texas case law is clear that an injured third party cannot sue a tortfeasor's liability insurance company directly until the tortfeasor's liability has been finally determined by agreement or judgment. *Angus Chem. Co. v. IMC Fertilizer, Inc.*, 939 S.W.2d 138, 138 (Tex. 1997). This is because Texas is not a direct action state. *Jones v. CGU Ins. Co.*, 78 S.W.3d 626, 629 (Tex.App.—Austin 2002, no pet). In fact, the Texas Rules of Civil Procedure, recognizing the prohibition against direct actions, prohibit the joinder of a liability insurance company in a tort action. TEX. R. CIV. P. 38(c); TEX. R. CIV. P. 51(b); *see Chaffin v. Transamerica Ins. Co.*, 731 S.W.2d 728, 731-32 (Tex.App.—Houston [14<sup>th</sup> Dist.] 1987, writ ref'd n.r.e.).

Having addressed the foregoing issues, we now turn to the remaining issues raised in your correspondence to Home. First, you have recently requested that Home forward you certain documents. Home simply cannot comply because it no longer has the claim file as noted above. When Home was declared an insolvent insurance company, it forwarded the claim file to the Guaranty Association. We would suggest that you contact them to obtain the requested documents.

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Second, you have suggested that Home has somehow tampered with or fabricated evidence. Nothing could be further from the truth. In fact, since Home no longer has the "evidence" of which you complain, and has not had same since 2003, there is certainly no way that Home would have had any opportunity, nor any reason, to do so.

Third, you have demanded that Home renounce any and all statements made by Ms. Walker with the Guaranty Association. Ms. Walker is not an employee of Home. Home has no control over anything Ms. Walker does or does not do. Home is not in a position to, and does not know of any reason to, denounce any statements made by Ms. Walker.

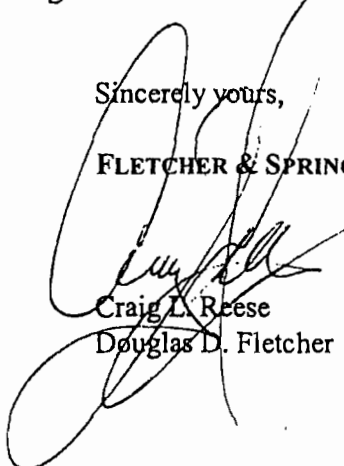
Finally, Home categorically denies any allegations of wrongdoing on the part of Home. Home complied with its initial obligations under the Professional Liability Policy, complied with the Order of Liquidation, and complied with the provisions of the Guaranty Act. Home has done absolutely nothing wrong.

While Home appreciates the fact that you continue to forward copies of all documents to it, this seems wholly unnecessary. As explained above, Home is not a party to the litigation you have filed and all lawsuits against Home are enjoined pursuant to the Order of Liquidation.

Please do not hesitate to contact me if you have any questions after reading this letter. I would request the professional courtesy of having all communication with you as the counsel for your client.

Sincerely yours,

**FLETCHER & SPRINGER, L.L.P.**



Craig L. Reese  
Douglas D. Fletcher

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