

UPDATE REGARDING IMPLEMENTATION OF PLANS OF LIQUIDATION FOR THE HOW COMPANIES (AS OF NOVEMBER 19, 2019)

This update covers events subsequent to those described in previous updates found under Historical Information/Historical Receivership Updates on the receivership web site at www.howcorp.com, which are incorporated by reference herein (to the extent that there are any differences between this update and prior updates, this update prevails).

The following is a summary description of some of the significant events regarding the liquidation of Home Warranty Company (“HWC”), the last of the HOW Companies that remains to be liquidated. **NOTHING HEREIN CONSTITUTES A BINDING LEGAL STATEMENT OR TIMETABLE BY THE RECEIVER, THE DEPUTY RECEIVER, OR THEIR REPRESENTATIVES. NOR ARE THE STATEMENTS CONTAINED HEREIN INTENDED AS COMPLETE LEGAL DESCRIPTIONS OF THE EVENTS OR MATTERS TO WHICH THEY RELATE. THE MATERIAL PROVIDED HEREIN IS OFFERED ONLY FOR THE PURPOSE OF GENERAL INFORMATION. FOR FULL LEGAL INFORMATION, INTERESTED PARTIES SHOULD REVIEW THE SOURCE DOCUMENTS AND APPLICABLE LEGAL AUTHORITIES.**

On October 1, 2019, a letter requesting submission of a W-9 and any necessary proof of legal successorship (*i.e.*, if a W-9 is submitted in the name of someone other than the Builder Distributee as its name appeared in the records of the HOW Companies) was mailed to Builder Distributees for whom the receivership has addresses not known to be inaccurate, if the receivership had not already received W-9s from them.

Since the October 1, 2019, letter was mailed, we have been receiving and processing a high volume of W-9s and successorship documentation. Previously, when the volume of submissions was lower, we would conduct any necessary follow-up as the need arose. However, after the volume of submissions increased substantially, we changed our procedures to review submissions in the order received, initially culling them into two groups: (a) adequate submissions, and (b) inadequate submissions. Adequate submissions are recorded as such in our system, and inadequate submissions are set aside for follow-up after all adequate submissions received have been recorded in our system as such. As of November 19, 2019, we completed the initial culling for all submissions received through October 27, 2019, and were starting to review submissions received on October 28, 2019, and later.

It is recommended that Builder Distributees (or their legal successors) submit a Change of Address Form along with their submissions even if their name or address has not changed, so that we will have other contact information in addition to a mailing address. If a mailing address is the only contact information we have, follow-up on inadequate submissions will take longer. The address correction form can be found at the Change of Address Form link under Address Correction Form at www.howcorp.com. Please also submit and complete the Change of Address Form in the event that your contact information should change between now and the end of the receivership.

Because the number and complexity of legal successorship issues cannot be predicted, it is difficult to estimate when the Residual Assets will be distributed (subject to the Reserve for Final Expenses and

Contingencies previously approved by the Commission). Also, the accountants have not yet determined the dollar amount of Residual Assets to be distributed (the estimated range previously provided by the accountants was \$90 - \$100 million). In the meantime, receivership staff are working diligently to review W-9s and successorship submissions.

The Deputy Receiver appreciates the patience of Builder Distributees as this complex liquidation continues. As material developments warrant, the Deputy Receiver will cause additional updates to be posted periodically under Most Recent Receivership Update at www.howcorp.com. The receivership contact information can be found under Contacts at www.howcorp.com.