

UPDATE REGARDING LIQUIDATION OF THE HOW COMPANIES (AS OF NOVEMBER 4, 2022)

NOTICE: DUE TO THE COVID-19 PANDEMIC, SOME RECEIVERSHIP FUNCTIONS MAY BE DELAYED. WE APOLOGIZE FOR THE INCONVENIENCE.

As developments warrant, we post updates under the Most Recent Receivership Update link on the receivership web site at www.howcorp.com, so that all interested persons will have access to the same update information at the same time.

Status of the Distribution of Residual Asset Checks to Builder Distributees and Legal Successors

On May 20, 2021, the receivership's accountants began sending Residual Assets distribution checks to Builder Distributees or their legal successors from whom the receivership had received sufficient required documentation. Checks are issued in the order that the submitted documentation was approved. As of November 4, 2022, Residual Assets distribution checks had been mailed to all Builder Distributees and legal successors whose timely-submitted documentation had been received and approved before September 30, 2022. Checks were still being processed for mailing to Builder Distributees and legal successors whose sufficient and timely-submitted documentation had been received and approved more recently than September 30, 2022. Although the receivership generally issues checks within 30 days of submitted documentation being reviewed and approved, documentation review and the mailing of checks can sometimes take longer, such as during holiday periods, at the beginning of the year when the receivership's accountants are issuing IRS forms 1099-DIV for distributions of \$600 or more made to non-1099-exempt Builder Distributees and legal successors in the previous year, in the months of October/November, and during periods when we are receiving a high volume of documentation from Builder Distributees and legal successors.

After May 20, 2021, we also began on a state-by-state basis to mail letters to Builder Distributees with whom we lacked contact, but whose last known addresses in our records were not already known to be inaccurate. Such a letter states that if the required documentation (see further below) is not received by the receivership by the deadline stated in the letter, the distributable funds will be reported and remitted to the applicable unclaimed property fund. We have not yet completed mailing such letters to Builder Distributees in all states, but expect to complete that process during the period from November 4, 2022 through May 31, 2023. Checks are issued to Builder Distributees (or their legal successors) who, *prior to the deadline provided in the letter they received*, submit a W-9, and Current Contact Information Form *and, for putative legal successors*, adequate documentary proof that they are in fact the legal successor(s) of a Builder Distributee (see below). To the extent that the response to such a letter is received after the response deadline, and/or does not include a *properly completed* W-9 and Current Contact Information Form, and adequate proof of legal successorship (in those cases in which the Builder Distributee was an individual who is deceased, or a business association that no longer exists under the name that the Home Warranty Corporation had in its records), the distribution is reported and remitted to the applicable state's unclaimed property fund under the Builder Distributee's name and last known address that Home Warranty Corporation had in its records.

As of November 4, 2022, legal staff had completed their review of all W-9s, Current Contact Information Forms, and putative successorship documentation submitted by Builder Distributees (or their legal successors). Legal staff continue to review timely-submitted initial and supplemental submissions of documents as they are received. If a Builder Distributee or legal successor who timely submitted inadequate documentation provided their e-mail address and telephone number, and depending on the number of inadequate responses received and the time remaining before the property is processed for reporting and remitting to the applicable unclaimed property fund if adequate documentation was not timely received, receivership staff might or might not contact the sender to request correction or supplementation of inadequate documentation. If we have only a mailing address (or only a mailing

address and a telephone number that does not permit leaving voice mails), that will reduce the likelihood that we would be able to follow-up regarding inadequate documentation before reporting and remitting the distribution to the applicable state's unclaimed property fund.

Documentation Required to be Timely Submitted by Builder Distributees Who Are Natural Persons (Including Sole Proprietorships Doing Business under an Assumed Name), or Which Are Business Associations That Still Exist with the Same Name That Home Warranty Corporation Had in its Records:

- * A W-9 properly completed in compliance with the IRS Form 9 Instructions (a PDF version of the IRS Form 9 and Instructions are available on the receivership web site, www.howcorp.com). NOTE: A W-9 that is filled out incompletely or incorrectly will be rejected. If you are unsure how to complete the W-9 correctly, please refer to the IRS Form W-9 instructions, or you might wish to consult an attorney or a certified public accountant. Receivership staff do not provide legal or accounting advice or opinions.
- * A Current Contact Information Form (a PDF version of the Current Contact Information Form is available on the receivership web site, www.howcorp.com).

Documentation Required to be Timely Submitted by Putative Legal Successor(s) of a Deceased Person Who Was a Builder Distributee Under the Individual's Name, or Under a Business Name The Individual Used for a Sole Proprietorship, or as a Single-Member LLC:

- * Documentary proof that the receivership's legal staff receives prior to the deadline submitted in any letter mailed by the receivership, which receivership staff deem sufficient to establish that: (a) the putative legal successor of the deceased individual is in fact a legal successor of that individual's estate for purposes of a cash distribution or residual assets of the estate; and (b) the percentage of the deceased person's distribution to which the legal successor is entitled under applicable law. If you are unsure what to submit as documentation, you might wish to consult an attorney and/or a certified public accountant. Receivership staff do not provide legal or accounting advice or opinions.
- * A W-9 properly completed in compliance with the IRS Form 9 Instructions (a PDF version of the IRS Form 9 and Instructions are available on the receivership web site, www.howcorp.com). NOTE: A W-9 that is filled out incompletely or incorrectly will be rejected. If you are unsure how to complete the W-9 correctly, please refer to the IRS Form W-9 instructions, or you might wish to consult an attorney and/or a certified public accountant. Receivership staff do not provide legal or accounting advice or opinions.
- * A Current Contact Information Form (a PDF version of the Current Contact Information Form is available on the receivership web site, www.howcorp.com).

Documentation Required of the Putative Legal Successor(s) of Builder Distributees That Were Business Associations (e.g., Corporations, Partnerships, multi-member LLCs) That Are No Longer in Good Standing Under the Name That Home Warranty Corporation Had in its Records (e.g., as the Result of Dissolution, Administrative Dissolution, Forfeiture, Merger in Which the Builder Distributee was a Non-Surviving Entity, Conversion of the Builder Distributee to a Different Form of Entity Such as From a Corporation to an LLC, or Name Change Filed With the Secretary of State of the Applicable State):

- * Documentary proof that the receivership's legal staff receives prior to the deadline submitted in any letter mailed by the receivership, which receivership staff deem sufficient to establish that: (a) the putative legal successor(s) of the former business association in question is/are in fact the legal successor(s) of that former business association for purposes of a cash distribution that would be payable to that business association if it still existed; and (b) the percentage of the former business association's distribution to which each legal successor is entitled. If you are unsure what to submit as documentation, you might wish to consult an attorney and/or a certified public accountant. Receivership staff do not provide legal or accounting advice or opinions.

- * A W-9 properly completed in compliance with the IRS Form 9 Instructions (a PDF version of the IRS Form 9 and Instructions are available on the receivership web site, www.howcorp.com). NOTE: A W-9 that is filled out incompletely or incorrectly will be rejected. If you are unsure how to complete the W-9 correctly, please refer to the IRS Form W-9 instructions, or you might wish to consult an attorney or a certified public accountant. Receivership staff do not provide legal or accounting advice or opinions.

- * A Current Contact Information Form (a PDF version of the Current Contact Information Form is available on the receivership web site, www.howcorp.com).

When and How to Contact the Receivership Regarding the Status of Your Check:

If you submitted the required documentation by fax more than 6 weeks ago, or by mail more than 7 weeks ago, but have not yet received a check or a request for additional documentation, you may inquire with the receivership by calling 512-404-6555 (Monday – Friday, 8 a.m. – 5 p.m. Central Time). Also, if you called the receivership and were told that your check was mailed on a certain date, and you have not received the check within 3 weeks of that date, you may call the receivership to verify that the check was mailed to the correct address (and was not returned undeliverable as addressed). If you were told that someone from the receivership would send you an e-mail but did not receive the e-mail, please check your junk/spam folder before contacting the receivership.

We appreciate the patience of Builder Distributees and legal successors as this complex liquidation continues.