

**IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF ARKANSAS
JONESBORO DIVISION**

**OLD REPUBLIC NATIONAL
TITLE INSURANCE COMPANY**

PLAINTIFF

VS.

CASE NO. 3:09 CV00102-BSM

**GREENE COUNTY ABSTRACT &
TITLE COMPANY, LLC, and
MARY WILLIAMS**

DEFENDANTS

TEMPORARY RESTRAINING ORDER

Plaintiff Old Republic National Title Insurance Company ("National Title") moves for a temporary restraining order pursuant to Rule 65 of the Federal Rules of Civil Procedure and in support thereof has filed a verified complaint. It appears from the facts set forth in the verified complaint that National Title will suffer irreparable harm by Defendants Greene County Abstract & Title Company, LLC ("Greene County Abstract") and Mary Williams ("Williams") (collectively, "Defendants") unless a temporary restraining order is granted.

IT IS HEREBY ORDERED that Defendants, their agents and other persons acting in concert with them, are hereby enjoined as follows:

1. Defendants are immediately restrained from removing, destroying or concealing any and all assets, fixtures, furnishings, books, records, files, computers, computer records, forms, title policies, escrow files, closing files, title files and similar or related documents, including without limitation, all documents relating to records, documents, and/or files pertaining to real estate transactions and/or pertaining to title transactions involving the issuance of commitments, policies or guarantees by National Title, along with any and all financial records, statements, accounts, checks, check registers,

correspondence, and all other similar or related documents pending further order of this court.

2. Defendants are immediately restrained from making further disbursements, of any kind or nature, from any and all financial accounts, including their escrow accounts, in their control. National Title shall give notice to any banks at which these accounts are maintained and of which National Title is aware that no such withdrawals shall be permitted from these accounts.

3. Defendants are immediately restrained from selling, transferring, assigning, mortgaging, or disposing of in any way any real or personal property held or owned by them until further orders of this court.

4. Defendants are to immediately submit to an accounting, to be conducted by National Title, of the above-referenced financial accounts and the general books of accounts and of all accounts, checks, records or files of Greene County Abstract pertaining to each and every transaction in which a National Title commitment for title insurance, National Title lenders policy of title insurance, a National Title owner's policy of title insurance and/or an National Title closing protection letter was issued.

5. In furtherance of the accounting ordered above, Defendants are to immediately provide National Title unfettered access to all of their financial accounts and the general books of accounts and of all accounts, checks, records or files of Greene County Abstract pertaining to each and every transaction in which a National Title commitment for title insurance, National Title lenders policy of title insurance, a National Title owner's policy of title insurance and/or a National Title closing protection letter was issued.

This Temporary Restraining Order is supported by the following allegations in the verified complaint:

1. National Title is a title insurance company authorized to conduct business in Arkansas.
2. Greene County Abstract was a policy issuing agent of National Title pursuant

to a written Agreement for Appointment of Policy Issuing Agent (herein, the "Agency Agreement), a copy of which is attached to National Title's verified complaint as Exhibit 1.

3. Williams is managing member and sole owner of Greene County Abstract, and runs the Paragould, Arkansas office.

4. As an agent of National Title for the limited purpose of issuing title insurance commitments, binders, title reports, certificates, guarantees, title insurance policies, endorsements, and other agreements regarding the condition of title, Greene County Abstract was required, among other things, to:

E. Keep safely in an account separate from Agent's operating accounts all funds received by Agent in connection with transactions which the Insurer's policy is involved, disburse said funds only for the purposes for which the same were entrusted, and reconcile all such accounts not less frequently than monthly.

6. In furtherance of its obligations and duties as an agent of National Title for the limited purpose of issuing title insurance commitments, binders, title reports, certificates, guarantees, title insurance policies, endorsements, and other agreements regarding the condition of title, Greene County Abstract established and maintained financial accounts, including escrow and trust accounts, in the name of and/or belonging to and/or under the control of Greene County Abstract at various banks in the Paragould and Jonesboro, Arkansas area, and perhaps elsewhere.

7. In her capacity as managing member, sole owner, and/or manager of the day-to-day operations and employee(s) of Greene County Abstract, Williams has or had

access to and control of the above-described financial accounts and other assets, including, but not limited to, closing files, National Title title commitments and National Title title policies for individual real estate transactions, in the name of, belonging to, or under the control of Greene County Abstract.

8. The funds in the financial accounts were to be deposited and disbursed in accordance with written escrow instructions and/or closing instructions provided to Defendants by the buyer, seller and/or lender at the closing of a particular real estate transaction.

9. During a recent audit of Greene County Abstract pursuant to Section XI. of the Agency Agreement, National Title discovered information that led it to reasonably believe that Greene County Abstract was misusing the funds in its financial accounts by making improper and unauthorized disbursements therefrom. The alleged improper and unauthorized disbursements from one or more of Greene County Abstract's primary escrow accounts has created and/or will create a shortfall in the escrow account(s).

10. Greene County Abstract and/or Williams currently have access to the escrow funds and, unless restrained from doing so, can continue to remove and/or commingle the funds, all at the expense of National Title and the public.

11. Pursuant to the Agency Agreement, National Title has notified Greene County Abstract in writing that the Agency Agreement is terminated effective July 8, 2009.

12. Pursuant to Section XII.D. of the Agency Agreement, Greene County Abstract

has agreed that upon termination of the Agency Agreement, it would deliver to National Title all forms and files required to be kept under the Agency Agreement.

13. National Title and the public will suffer irreparable harm to its business and reputation unless the remaining escrow funds and all of Greene County Abstract's corporate accounts are protected until such time as National Title audit/accounting is complete.

14. National Title and the public will suffer irreparable harm if Greene County Abstract and Williams are permitted to sell the assets of Greene County Abstract, which include one or more copies of a title plant. Such a sale would be injurious to National Title and the public inasmuch as it would dissipate assets the source of which may be traceable to improperly used funds.

15. National Title has no adequate remedy at law, and injunctive relief is necessary to maintain the status quo and preserve the rights of all interested parties, including National Title and the public, pending further orders of this Court.

16. National Title, by process server, served Williams, individually and as registered agent, with the summons, complaint, motion for TRO, brief and affidavit, around 3:15 p.m. on July 9, 2009.

IT IS HEREBY FURTHER ORDERED that National Title shall submit an injunction bond in the amount of \$5,000.00 before the Temporary Restraining Order is effective. A hearing for the motion for preliminary injunction will be set for July 20, 2009, at 1:00 p.m. at the Richard Sheppard Arnold United States Courthouse, 500 W. Capitol Avenue, Little

Rock, AR 72201, Courtroom 2D. National Title is ordered to serve this Temporary Restraining Order on Greene County Abstract and Williams as soon as possible.

IT SO ORDERED this 10th day of July, 2009 at 10:40 a.m.



BRIAN S. MILLER
UNITED STATES DISTRICT JUDGE