

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

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

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

**CLAIMANT'S RESPONSE TO LIQUIDATOR'S OBJECTION TO**  
**CLAIMANT'S REQUEST FOR EVIDENTIARY HEARING**

Claimant Harry L. Bowles ("Bowles") hereby responds to the Liquidator's objections to Bowles request for an evidentiary hearing on the issues before the Referee in the subject claim.

1. Apparently in response to Bowles' charge that HICIL's legal counsel in Austin, Texas has filed pleadings in which HICIL is fraudulently impersonating the Liquidator, the legal counsel for the Liquidator in Boston has submitted a pleading in which he takes the position that HICIL and the Liquidator are a coordinated, unified, integrated, inseparable whole individual.

2. In doing so, the Liquidator is primarily focused on establishing a legal separation between the activities of HICIL and TPCIGA in regard to the employment by TPCIGA of a Houston law firm in 2005 to act as legal counsel for Bishop, Peterson & Sharp, P.C. in defense of Home Insurance Policy No. LPL-F871578 in Cause No. 1995-43235 in the 151st District Court in Harris County.

3. The Liquidator quite correctly states that **"Mr. Bowles (apparently) does not accept that TPCIGA acts independently of the Liquidator and that it, and not the Liquidator, is charged with determining whether an action against a Home insured is a "covered claim"**

**within the terms of both the TPCIGA statute and the Home policy and whether a defense should be provided to an insured of Home regarding a covered claim.”** (Emphasis added).

4. Bowles certainly has no reason to believe that HICIL was not a co-conspirator with TPCIGA in the action to employ counsel to defend Home Policy No. LPL-F871578. A primary reason is the letter to Bowles from HICIL’s Ronald F. Barta dated October 16, 2006 wherein Barta states that, “I have been assigned to evaluate this POC on behalf of Home’s Liquidator.” The letter is attached as **EXHIBIT A**. It is written on HICIL letterhead stationary, and clearly states that Bowles’ August 2003 POC has no validity as a covered claim under any Home policy in effect at the July 2002 date of the alleged “shooting incident” upon which the POC was based. Therefore, Bowles immediately gave Barta notice of withdrawal of the claim. Two years later, in disregard of the notice of withdrawal, the Liquidator inexplicably issued a Notice of Determination to formally reject Bowles’ August 2003 POC.

5. Clearly, in October 2006 HICIL and the Liquidator were separate entities, one in New York and the other in New Hampshire. All agree: (1) that Bowles never submitted a claim for payment of a “covered claim” to TPCIGA pursuant to TPCIGA’s Summary of Rights and Obligations of Third-Party Claimants Under the Guaranty Act, Article 21.28-C of the Texas Insurance Code (See attached **EXHIBIT B**) ; and (2) that Bowles never submitted a POC to the Liquidator that was specific as to an act of legal malpractice by George M. Bishop or others and was also specific as to an insurance contract issued by Home Insurance Company. (See attached **EXHIBIT C**). In the eyes of the Liquidator and HICIL Bowles’ August 2003 POC was nothing more than a blank piece of paper.

6. Bowles could not have presented a claim for payment of a covered claim to TPCIGA because he had no knowledge of an insurance policy issued by Home governed by and applicable to the Guaranty Act. In fact, no such policy existed on June 13, 2003. Evidence before

this Court shows that Policy No. LPL-F871578 was permanently cancelled by Home effective February 6, 1994.

7. Accordingly, neither TPCIGA nor HICIL nor the Liquidator had any authority to initiate a defense of Home Policy No. LPL-F871578 in 2005 in Cause No. 1995-43235. Their conduct in doing so constituted fraud and violation of Texas and New Hampshire statutory law.

8. On the August 2003 date of Bowles' POC all Home insurance contracts had been cancelled and all actions and all proceedings against Home in New Hampshire or elsewhere had been abated pursuant to the Order of Liquidation. Bowles' POC was lumped in with some 20,000 other POCs filed with the Liquidator, all subject to resolution by the Liquidator in accordance with New Hampshire law and the Order of Liquidation. Under that scenario, Bowles had no standing to file a third-party POC unless a party insured by Home under Policy No. LPL-F871578 had filed a POC based on a prior proceeding that was unresolved and abated on June 13, 2003.

9. This is because of operation of the most sacred, bedrock principle of insurance, namely **insurable interest**. Bowles simply never had an insurable interest in Home Policy No. LPL-F871578. That belonged to the insureds (Bishop) under the policy, whose duty it was to file a POC with Home after June 13, 2003. Bishop obviously could not and did not file a POC after June 13, 2003 because the policy was permanently cancelled on February 6, 1994 without recourse.

10. The act by HICIL's Ronald Barta to submit Bowles' August 2003 POC to TPCIGA for determination and possible litigation was a deliberate violation of Item (j) of this Court's Order of Liquidation prohibiting its employees, agents and representatives from proceeding with the business of The Home except with the express written authorization of the Liquidator. According to the sworn affidavit of Ron Barta, Home Insurance Company been working with the Bishop

group in defense of Policy No. LPL-F871578 in Cause No. 1995-43235 prior to June 13, 2003 as a result of a timely claim purportedly filed with Home by Bishop in December 1993. The affidavit, which is in evidence before the Court, states as follows: "Although a lawsuit was not filed by Bowles - - - until August of 1995, - - - Home undertook to provide a defense subject to any reservation of rights raised by the pleadings."

11. Neither HICIL nor the Liquidator can furnish evidence to show that Home acted proactively prior to June 13, 2003 to provide a defense against Bowles' lawsuit for the insureds in Cause No. 1995-43235 This is vital information needed by this Court's Referee.. Both HICIL and TPCIGA have vigorously denied they were ever third-party defendants in Cause No. 1995-43235 in Harris County. In discovery, Bishop absolutely refused to respond to demands for insurance coverage information, as did HICIL and TPCIGA in 1995 and 1996 after the defense counsel employed by them intervened in the case in August 2005.

12. Prior to Barta's October 16, 2006 letter, Bowles attempted to obtain information by telephone from Barta on September 6, 2006 concerning the HICIL and TPCIGA involvement in Bowles' malpractice action in the 151st District Court. Barta was asked specifically who had filed a claim with Home involving Bowles. He was also asked how it happened that TPCIGA was defending a legal malpractice charge Bowles had purportedly made against Bishop et al. As shown in the attached **EXHIBIT D**, an affidavit by Bowles, Barta declared that all this was "None of Bowles' business".

13. This is evidence that shows that HICIL refused to deal with Bowles in good faith, and that HICIL was absolutely determined to hide vital facts from Bowles, particularly the purported documents supporting claims by HICIL and TPCIGA officials that Bowles made legal malpractice claims against Bishop that were presented to Home as a demand for insurance protection under Policy No. LPL-F871578.

14. Bad faith in dealing was also in evidence on August 11, 2006 when Bowles received a letter dated August 11, 2006 from TPCIGA Senior Claims Attorney Amber A. Walker as a result of months of repeated requests for information about the basis for the TPCIGA's employment of defense counsel in Bowles' legal malpractice action against George M. Bishop, et al. The letter is attached as EXHIBIT E.

15. It is notable that the subject line of EXHIBIT E shows the Claimant as Harry Bowles, while the insured is listed as Bishop, Peterson & Sharp, P.C. The TPCIGA Claim Number is EL-38-27-60093., and there is no reference to a Home Insurance POC reference number.

16. In EXHIBIT E Ms. Walker declared that, **"Please be advised that TPCIGA has been aware of this claim since shortly after The Home Insurance Company's demise. We have retained Marshall & McCracken to defend the insureds pursuant to the terms and conditions of the Home policy and our obligations under the Guaranty Act"**. This constitutes proof that TPCIGA received information from Home after June 13, 2003, and that the information was not with regard to a POC filed by a party insured under Policy No. LPL-F871578.

17. The term "this claim" to which Ms. Walker refers could not have been a claim submitted by Bowles to TPCIGA because Bowles August 2003 POC was filed with the Liquidator for resolution under the laws of New Hampshire. It is evidence of fraud that TPCIGA acted to employ defense counsel in the case knowing that Bowles had perfected a POC with Home and that New Hampshire law and the Order of Liquidation required an authorization from the Liquidator and the Superior Court before any intervention in a proceeding in Texas could legally be initiated.

18. **Financial considerations prohibited any possibility that Bowles would have opted to file and litigate a claim against a Home policy under the Texas statute where the relief was**

**capped at \$300,000 when the lawsuit against Bishop demanded relief in the range of \$10 Million.**

19. Bowles' response to TPCIGA's statement in EXHIBIT E that it acted without informing Bowles that HICIL was involved in the case was properly ill-tempered as befitting of a person who has discovered he has been a victim of an outrageous, fraudulent hoax. Bowles' response is dated August 25, 2006. (See attached EXHIBIT F).

20. The Liquidator's pleading objecting to Bowles' request for an evidentiary hearing evokes a similar reaction of anger, outrage and betrayal – a feeling that the Liquidator is protecting the conspirators who knowingly and blatantly violated the New Hampshire law governing insurance company liquidations and, specifically, the Order of Liquidation issued by this Court on June 13, 2003.

21. It seems obvious that the Liquidator's objection to holding an evidentiary hearing is to suppress evidence such as the contained in attached EXHIBITS A through F and that contained in numerous other documents previously filed with this Court for the Referee's consideration.

22. The Liquidator, to Bowles' total surprise, seeks to exclude these vital documents from consideration by the Referee and reduce the litigation to a shouting contest in which Bowles would be denied all due process. It can only be concluded that the Liquidator is opposed to justice under constitutional principles because he has no countervailing evidence to present.

23. With \$10 Million hanging in the balance, it is outrageously irresponsible for the Liquidator to object to an evidentiary hearing whereby Bowles would show the Court that the defense of Home Policy No. LPL-F781578 by TPCIGA in 2005 in Houston was in open violation of applicable New Hampshire law and the explicit orders of this Court contained in its June 13, 2003 Order of Liquidation.

24. Bowles demands justice and accountability in this litigation through constitutional due process of law. That can only transpire in an evidentiary hearing.

Request for Relief

25. Bowles requests the Referee grant Bowles request for an evidentiary hearing that will bring into this forum full disclosure of all facts related to how and why the Liquidator has issued a Determination Notice rejecting Bowles' February 2008 POC on the false and fraudulent pretext that Bowles is precluded by *res judicata* from attacking HICIL and TPCIGA for officious intermeddling and abuse of process in Texas. Bowles would show the Court by irrefutable documentation that the defense of Home Policy No. LPL-F781578 by HICIL and TPCIGA in 2005 in Houston was a conspiratorial scheme in deliberate violation of New Hampshire law and of the explicit orders of this Court contained in its June 13, 2003 Order of Liquidation

Respectfully submitted,



Harry L. Bowles

Claimant, POC Nos. CLMN712396 and CLMN380570

306 Big Hollow Lane

Houston, Texas 77042

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

Attachments

**CERTIFICATE OF SERVICE**

I certify that on this **4 th DAY OF APRIL, 2009** a true and correct copy of the foregoing was sent by first class mail to attorney Eric A. Smith, Rackemann, Sawyer & Brewster, 160 Federal Street, Boston, MA 02110-1700; to attorney J. Christopher Marshall, Civil Bureau, NH Dept. of Justice, 33 Capitol Street, Concord, NH 03301-6397; and to the Liquidation Clerk, HICIL, c/o Merrimack County Superior Court, P O Box 2880, Concord, NH 03302-2880. Under separate cover and in regard to Cause No. 1:08CV808SS in the federal court copies were sent as well to attorney Joanna Lipmann Salinas, Fletcher, Farley, Shipman & Salinas, LLP, 823 Congress Avenue, Austin, Texas 78701; to attorney Daniel Jordan, Law Office of Daniel Jordan, 4807 Spicewood Springs Road, Building One, Suite 1220, Austin, Texas 78759-8435; and to the Clerk of Court, U.S. District Court for the Western District of Texas, Austin Division, 200 West 8 th Street, Room 130, Austin, Texas 78701. Copy also to the Fraud Unit, Texas Dept. of Insurance re Complaint 815607.

  
\_\_\_\_\_

Harry L. Bowles



THE HOME  
INSURANCE  
COMPANY IN  
LIQUIDATION



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 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.

**EXHIBIT A**

**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**

# **Texas Property and Casualty Insurance Guaranty Association**

9120 Burnet Road, Austin, Texas 78758

(512) 345-9335

FAX (512) 345-9341

## **SUMMARY OF RIGHTS AND OBLIGATIONS OF THIRD-PARTY CLAIMANTS UNDER THE GUARANTY ACT (ART. 21.28-C, TEXAS INSURANCE CODE)**

It has come to our attention that you have a claim pending against an insured of Home Insurance Company or one of its subsidiaries (Home Indemnity Company, Home Lloyds Insurance Company of Texas, Home Insurance Company of Indiana, Home Insurance Company of Wisconsin and City Insurance Company), which shall be collectively referred to as "Home Insurance Company." As you may know, a New Hampshire court declared Home Insurance Company insolvent and placed it into liquidation on June 13, 2003. The Texas Commissioner of Insurance subsequently designated the company an "impaired insurer" on June 26, 2003. Your claim may be payable by the Texas Property and Casualty Insurance Guaranty Association ("TPCIGA"). Your rights and obligations with respect to payment of your claim are governed by statute. This statute, the Guaranty Act ("Act"), is Art. 21.28-C of the Texas Insurance Code. The purpose of this letter is to notify you of **your rights and obligations under the Act.**

Your rights:

**You are entitled to present a claim for payment of your "covered claim," as that term is defined in Art. 21.28-C, §5(8).**

**A covered claim is an unpaid claim arising out of and within the coverage of an insurance policy to which the Act applies. In order to have a covered claim, you or the insured must have been a Texas resident at the time of the incident giving rise to the claim or, if it is a first-party claim arising from a piece of property with a permanent location, the property must be permanently located in Texas.**

**An individual covered claim shall be limited to the lesser of policy limits or \$300,000, except that TPCIGA will pay the full amount of any covered claim arising out of a workers' compensation claim made under a workers' compensation policy. Shareholder derivative claims or claims for economic loss by a claimant in his capacity as a shareholder are limited to \$300,000 per policy, inclusive of defense costs.**

**A covered claim does not include (among other things) attorney's fees and expenses, court costs, and interest and penalties incurred prior to impairment of the insurance company. Nor does a covered claim include pre-judgment or post judgment interest, or punitive, exemplary, extra contractual or bad faith damages awarded in a court judgment against an insured or insurer.**

**A covered claim does not include a claim by an insurer or a self-insurer, as a subrogation or otherwise. Additionally, an insurer is not entitled to pursue its subrogation claim against the insured of an impaired company to the extent of the applicable limits of the policy issued by the impaired company.**

**EXHIBIT B**

TPCIGA shall pay covered claims that exist before the designation of impairment or that arise within 30 days after the date of impairment, or before the insured replaces or cancels the policy, if done within 30 days after the date of impairment.

**Your obligations:**

You have an obligation to exhaust your rights under any other policy of insurance that may cover your claim pursuant to Art. 21.28-C, §12(a).

If your claim may be recovered under more than one insurance guaranty association, you have an obligation to first seek recovery from the association of the insured's place of residence, or if you are a workers' compensation claimant, the association of your residence pursuant to Art. 21.28-C, §12(b).

**TPCIGA's rights:**

Any person recovering under the Act is considered to have assigned his or her rights under the policy to TPCIGA to the extent of the person's recovery from TPCIGA pursuant to Art. 21.28-C, §11(a).

TPCIGA is entitled to reduce any amount payable on a covered claim under this Act by the amount recovered by the claimant from any other policy of insurance pursuant to Art. 21.28-C, §12(a). To the extent that the Association's obligations are reduced by this section, the insured's liability on a claim is reduced by the same amount.

TPCIGA is entitled to reduce any amount payable on a covered claim under this Act by the amount recovered by the claimant from another insurance guaranty association pursuant to art. 21.28-C, §12(b).

**TPCIGA's obligations:**

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 Guaranty Act.

**Procedure for filing claims:**

You must present your third-party liability claim against an insured of Home Insurance Company to TPCIGA, unless you had previously presented your claim to the impaired insurer prior to its impairment. You are also entitled to file suit against the insured in the same manner as you would file suit if Home Insurance Company had not become impaired.

Please be advised that neither the filing of a proof of claim ("POC") with the New Hampshire liquidator nor the presentation of your claim to TPCIGA affects the running of

the statute of limitations applicable to your claim against the insured of Home Insurance Company.

If you have a claim against the estate of Home Insurance Company, in liquidation, instead of or in addition to TPCIGA, you must perfect that claim in accordance with the laws of New Hampshire. For information on filing a claim with the estate, please contact the New Hampshire Department of Insurance at (800) 852-3416, or visit its website at [www.state.nh.us/insurance](http://www.state.nh.us/insurance).

**Procedure for appealing the denial of your claim:**

If TPCIGA denies your claim, TPCIGA will notify you of the denial in writing. Once the denial letter is received, you have thirty (30) days to appeal the denial by sending written notice of your desire to appeal to the Claims Director at the above address. You may submit additional information for consideration by the Appeals Committee. The Appeals Committee will have thirty (30) days from receipt of your request to consider the denial. The Claims Director will notify you, in writing, of TPCIGA decision.

This statement of rights and obligations is not intended to be exhaustive. Please refer to the Act for additional information. A link to the statute may be found at [www.tpciga.org](http://www.tpciga.org).

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

FOR LIQUIDATOR'S USE ONLY
RECEIVED
DATE PROOF OF CLAIM RECEIVED AUG 13 2003
HICIL

POC #: C1mn380570

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:

EXHIBIT C

\* 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 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 avoied by the Liquidator.

Harry Louis 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 Louis 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, HPB

COUNTY OF HARRIS

§  
§ AFFIDAVIT  
§  
§

STATE OF TEXAS

**COMES NOW, Harry L. Bowles, Affiant herein and makes this Affidavit of truth based on personal knowledge.**

**"My name is Harry Louis Bowles. I am a resident of Houston, Harris County, Texas, over the age of twenty one, of sound mind and competent to make this Affidavit of truth."**

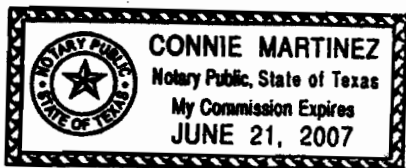
**"On this date of Tuesday, September 6, 2006, at approximately 3:10 p.m., CST, I placed a telephone call to Mr. Ron Barta of Home Insurance Company in Liquidation. Mr. Barta's phone number is 212-530-4054."**

**"I asked Mr. Barta what person filed a claim on my behalf against George Bishop and Associates, Bishop, Peterson & Sharp, or in any name under the auspices of George Bishop, that had insurance coverage with Home Insurance company. Mr Barta refused to identify the person(s) that filed an original claim with Home Insurance Company, telling me *"It's none of your business"*. I asked Mr. Barta if Home Insurance had made a determination that the claim was a covered claim. Mr. Barta again stated *"It's none of your business"*.**

**"I asked Mr. Barta if I, Harry L. Bowles, had ever filed a claim with Home Insurance against George Bishop et al. Mr. Barta affirmed that Harry L. Bowles has never filed a claim in the matter of Bishop et al. I asked Mr. Barta how if I had never filed a claim, Texas Property And Casualty (TPAC) was defending against a purported claim I made against Bishop et al. Mr. Barta stated *"it's none of your business."* I then informed Mr. Barta that I had visited the Home Insurance in liquidation website, and that I printed out the instructions for filing a claim. I asked Mr. Barta since he admitted I had never filed a claim against Bishop et al, if I could file a claim on my behalf directly with Home Insurance in Liquidation. I asked Mr. Barta specifically if I could file a claim directly with Home Insurance in Liquidation as instructed by the website. Mr. Barta affirmed that I could file a claim direct with Home Insurance in Liquidation, as instructed by the printed instructions on the website."**

**"Further Affiant saith naught."**

My Commission expires:



*Harry L. Bowles*  
Harry L. Bowles, Affiant

*Connie Martinez*  
NOTARY PUBLIC in and for the  
STATE OF TEXAS

**EXHIBIT D**



**Texas Property and Casualty Insurance Guaranty Association**

9120 Burnet Road, Austin, Texas 78758

(512) 345-9335

FAX (512) 345-9341

Claims Division

Via Telecopier (713) 466-5491 and U.S. Mail

August 11, 2006

Mr. James D. Farmer  
Attorney at Law  
P.O. Box 19798  
Houston, Texas 77224

Re: Home Insurance Company, in liquidation – Estate No. 827

Claimant: Harry Bowles  
Insured: Bishop, Peterson & Sharp, P.C.  
Claim No.: EL-38-27-60093  
Matter: *Harry Bowles v. George Bishop, et al.*; Cause No. 95-043235; In the 151st  
Judicial District Court of Harris County, Texas

Dear Mr. Farmer:

The Texas Property and Casualty Insurance Guaranty Association received your July 31, 2006 letter. Please be advised that TPCIGA has been aware of this claim since shortly after The Home Insurance Company's ("Home") demise. We have retained Marshall & McCracken to defend the insureds pursuant to the terms and conditions of the Home policy and our obligations under the Guaranty Act.

Although I do not believe the portions of the Guaranty Act that you quoted in your letter were significantly affected, please note that an earlier version of the statute applies to claims under policies issued by Home. For your convenience, I have enclosed a copy of the 2003 version of the statute.

This letter is intended to respond to some specific misstatements contained in your letter regarding the Guaranty Act, as well as your specific demands.

The Guaranty Association is not a "state public institution." TPCIGA is a "nonprofit, unincorporated legal entity composed of all member insurers, who must be members of the association as a condition of their authority to transact insurance in this state." Tex. Ins. Code Ann. art. 21.28-C, §6. Although TPCIGA is created by statute, we are not a state agency. We are a safety net to avoid financial loss to claimants and insureds when an insurance company is impaired.

Although I am not involved in the day-to-day handling of this claim, I understand that the court dismissed Mr. Bowles' lawsuit on summary judgment. The payment of a "covered claim" under the

**EXHIBIT E**

Guaranty Act pursuant to a liability policy is inextricably linked to the alleged liability of the insured.

Section 5(8) of the Guaranty Act defines a "covered claim," in part, as follows:

**"Covered claim" means an unpaid claim of an insured or third-party liability claimant that arises out of and is within the coverage and not in excess of the applicable limits of an insurance policy to which this Act applies, issued or assumed (whereby and assumption certificate is issued to the insured) by an insurer licensed to do business in this state, if that insurer becomes an impaired insurer and the third-party claimant or liability claimant or insured is a resident of this state at the time of the insured event . . . (Emphasis added)**

You have misunderstood the relevance of the phrase "at the time of the insured event." This phrase modifies the residency requirement, not the timing of the impairment. The time of the insured event is the event that triggers the policy, whether it is an occurrence or a claims made policy. Bishop, Peterson & Sharp, P.C. was a Texas resident at the time of the insured event. It is not necessary for an insurer to be impaired during the relevant policy period for there to be coverage under the Guaranty Act.

The word "directly," as used on our website, has been taken out of context. Prior to January 1, 1992, the receiver, through the Liquidation Division of the Texas Department of Insurance, processed both claims against the assets of the estate and "covered claims" funded with Guaranty Association money. Effective January 1, 1992, TPCIGA took over the handling of "covered claims" from the receiver. TPCIGA now handles claims "directly," as opposed to the claims being handled by the receiver. TPCIGA has been and continues to handle this claim in accordance with the terms and conditions of the policy and the Guaranty Act.

Your letter stated that the proper vehicle for Mr. Bowles' claim might be a suit against Home after it is released from rehabilitation. Please note that a New Hampshire court placed The Home Insurance Company in liquidation on June 13, 2003. It is no longer in rehabilitation and will never again operate as a going concern. You may have claims against the liquidation estate for matters that would have been covered by the Home policy pre-liquidation, but are not covered by the Guaranty Act. The deadline for filing a proof of claim with the Liquidator was July 13, 2003, but late claims may be accepted. You may inquire about the filing or status of a proof of claim with the New Hampshire Department of Insurance at (603) 641-1211.

Finally, I have addressed your specific demands in the order set forth in your letter.

1. No statutory authority exists for TPCIGA to file a stay. Section 17 imposes a six-month stay from the date of impairment. That stay expired December 26, 2003.
2. Enclosed please find a copy of TPCIGA's Plan of Operation. It describes TPCIGA's claim filing procedures and the various methods by which TPCIGA may receive

notice of a claim. I have also included a document that summarizes your rights and obligations under the Guaranty Act. You may not have received this document when TPCIGA first received the file since the claim was still within the insureds' self-insured retention at that point. If that is the case, I apologize.

3. I have not enclosed a claim form because no specific form is required to assert a claim against TPCIGA. TPCIGA must have notice of a claim before the statutory bar date set forth in §8(d) of the Act, which was December 13, 2003 for Home. As set forth in the Plan of Operation, a claim on the books of the insolvent insurer on the date of impairment constitutes proper notice to TPCIGA. Home had notice of Mr. Bowles' claim against Bishop, Peterson & Sharp, P.C. prior to liquidation. The Liquidator forwarded the claim file to TPCIGA shortly after the company was declared insolvent and designated an "impaired insurer."
4. This claim meets the threshold requirements for a "covered claim" under the Guaranty Act. However, the claim is still subject to various policy and statutory provisions that may limit or exclude coverage, as well as defenses to the claim itself.
5. TPCIGA is not authorized to provide a copy of the policy. Insurance information was available through the discovery process, and I must defer to defense counsel on discovery matters. I can advise that Home issued a claims-made and reported legal liability policy to Bishop, Peterson and Sharp, P.C. and that a claim was made and reported during the applicable policy period. The policy also contains a consent clause.
6. Mr. Bowles is not entitled to correspondence between and among the insureds, Home and TPCIGA relating to the insureds' claims under the policy, except as may be available through discovery in the underlying action. Such information is not relevant to the current litigation pending against Bishop, Peterson and Sharp, P.C. and related insureds. Furthermore, such correspondence may contain confidential and privileged communications.
7. Because this matter was in litigation at the time TPCIGA received the file, all documents generated by TPCIGA in the course of its handling of the claim are privileged under the work product privilege, including core work product and the attorney-client privilege, and other applicable privileges.
8. TPCIGA declines to produce a list of its employees and servicing agents because it is irrelevant to the current litigation pending against the insureds. I can advise, however, that this claim is assigned to Ms. Barbara Marsh, an adjuster employed by TPCIGA, and that TPCIGA retained Marshall & McCracken to defend the insured in this action.

Please feel free to call me with any additional questions regarding the operation of the TEX. INS. CODE ANN. art. 21.28-C.

Mr. Farmer  
August 11, 2006  
Page 4 of 4

Sincerely,



Amber A. Walker  
Senior Claims Attorney

Enclosures

cc: Kvan Navar  
Marshall & McCracken

Laura Marsn

**HLB**

**Harry L. Bowles**  
**306 Big Hollow Lane**  
**Houston, Texas 77042**

Tel. 713-748-8966 Fax 713-466-5491

August 25, 2006

Ms. Amber A. Walker, Claims Attorney  
Texas Property and Casualty Insurance Guarantee Association  
9120 Burnet Road  
Austin, Texas 78758

Re: Legal Malpractice Claim Against Home Insurance Company in Liquidation – August 11  
Letter to James D. Farmer

Dear Madam:

I have had an opportunity to review a raft of information flowing to me by and through my attorney James D. Farmer concerning the legal malpractice claim against Bishop, Peterson & Sharp, P.C. apparently being defended by TPCIGA for Home Insurance Company in Liquidation. I gather TPCIGA has retained the Marshall & McCracken, P.C. law firm in Houston as its counsel.

The responses to our July 31 letter to Barbara Marsh have been enlightening, consisting of (1) your 4-page letter with attachments and (2) a three-page letter from Mr. Marshall of M&M (Attached).

I

Regarding the latter; Mr. Marshall states that we have hopelessly misstated the law, misread the statute and contorted the facts. He declares that we have no reason to complain that we have never received word from the Association that the Association investigated the claim that I allegedly filed with Association and that it was found to be a valid claim.

The fact is, Ms. Walker, that, until M&M entered into Cause No. 1995-43235 in August 2005, I knew nothing about an insurance claim made **by me or in my behalf against Home Insurance Company**. In 2002 I filed through my attorney discovery requests with George M. Bishop, president of Bishop, Peterson & Sharp, P.C. ("BPS") requesting any existing insurance contracts covering my legal malpractice claims against BPS. As you well know, according to rule, a party may obtain discovery of the existence and contents of any indemnity or insurance agreement under which any person may be liable to satisfy part or all of a judgment. Mr. Bishop, who responded to my original petition as counsel for all parties including BPS, refused to respond to my discovery requests. Despite numerous motions to compel and despite an order holding him in contempt of court, we have not to this day obtained a copy of the insurance contract with Home Insurance. We have no reason to believe one exists.

The law mandates that we be furnished with a copy of the contract. You state on page 3 of your letter that you are not authorized to provide a copy of the policy. Who authorized you and your counsel to **not obey** the Texas Legislature and the Governor of Texas who made it a law

that insurance policies are discoverable documents? I have spent thousands of dollars over a period of many years in vainly attempting to obtain a copy of the contract the law states must be provided. Now you tell me that you and your counsel are not "authorized" to provide it.

This is more than insane. It is precisely what Fifth Circuit Judge Edith Jones was referring to when in March 2003 she addressed the Harvard Law School as follows:

*"The American legal system has been corrupted almost beyond recognition. The question of what is morally right is routinely sacrificed to what is politically expedient. The change has come because legal philosophy has descended to nihilism . . . Agencies have an inherent tendency to expand their mandate . . . At the same time, their decision-making often becomes parochial and shortsighted. They may be captured by the entities that that are ostensibly being regulated, or they may pursue agency self-interest at the expense of the public welfare. Citizens left at the mercy of selective and unpredictable agency action have little recourse." (Report by Geraldine Hawkins, 3-7-2003 in Mass News).*

Judge Jones calls it nihilism. I call it anarchy fostered and encouraged by lawyers and judges (yourself included) who are bonded together as members of the State Bar of Texas, and who hold in contempt all governing constitutions and laws. Mr. Marshall's closing remarks to my attorney cites our use of "reckless and improvident" terms such as conspiracy, fraud, obstruction of justice and deceit in our complaint letter to the Association. What else was Judge Jones referring to? You people say you are "not authorized" to follow the law to produce the insurance contract. You have taken that position in the self-interest of the agency you work for at the expense of the public. You are a participant in conspiracy, fraud, obstruction of justice and deceit. You have cost me dearly in time and money. I cannot get this matter before Judge Jones. As she says, citizens have little (read no, nada, zilch) recourse.

## II

Thank you for annihilating Mr. Marshall's comment about our complaint regarding our not having received official word from the Association regarding "my claim". I suppose you really had no choice but to answer my special request No. 2 **to tell me that the Association failed to follow the law in the Texas Insurance Code requiring the Association to send me the Summary of Rights and Obligation of Third-Party Claimants Under the Guarantee Act (Art. 21.28-C, Texas Insurance Code)**. You sent me a copy of the Association's Plan of Operation with the required notice with your letter to me that begins as follows:

"You are entitled to present a claim for payment of your "covered claim", as that term is defined in Art. 21.28-C, Section 5(8). - - - A covered claim is an unpaid claim arising out of and within the coverage of an insurance policy to which the Act applies.

You state on page 2 of your letter to me that:

"**You may not have received his document when TPCIGA first received the file since this claim was still within the insured's' self-insured retention at that point. If that is the case, I apologize.**"

**Madam, Your Apology Is Not Accepted**

You have sent me a document that, by your own admission, should have been sent to me on or about June 30, 2003. It tells me that.... **"I MUST"**.... present a claim to TPCIGA unless I previously presented a claim to the impaired insurer (Home) prior to its impairment. Your notice has obviously been sent to me 3 years and one month after it was due. Furthermore, I have never presented a claim to TPCIGA or to Home Insurance. How could I? I was intentionally kept uninformed that an insurance contract existed covering BPS!

You, **by your late-filed notice**, have now given me two options: (a) to file a claim with the Association, or, instead, (b) to file a claim against the estate of Home Insurance Company in liquidation according the laws of New Hampshire. *Neither I nor any agent of mine have filed a claim with the Association.*

**Please be advised that I decline to file a claim with the Association at this time.**

I believe that the better course for me financially is to file a claim against the estate of Home Insurance Company in liquidation.

**So this brings up the critical question.**

<p><b><i>By whose authority did TPCIGA employ Marshall &amp; McCracken in 2005 to defend a claim against the Association when there was never a claim made?</i></b></p>
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So here we have Mr. John Marshall making deriding remarks about our use of "reckless and improvident" terms such as conspiracy, fraud, obstruction of justice and deceit in our complaint letter to the Association. Then here we suddenly find evidence of all this corruption. **And you expect us to accept an apology for your conduct? Don't hold your breath!**

### III

What I find really amazing is your statement (at 4) that: **"This claim meets the threshold requirements for a "covered claim" under the Guarantee Act. However, the claim is still subject to various policy and statutory provisions that may limit or exclude coverage, as well as defenses to the claim itself."** So, here we are after a year of litigation of a claim that was never made against the Association, and you now audaciously tell us that it really may not be a "covered claim" at all. Are you perhaps suggesting that the claim is void based on Bishop's insurance fraud in buying a one-year policy in January 1993 knowing he was representing both the opposing attorney and the receiver in other litigation, resulting in an unconscionable conflict of interest situation? Or void based on his knowledge that he and BPS had participated in a scheme involving use of the U.S. mails (a felony offense) to defraud would-be investors by sending out false bid documents?

How can we make critical decisions about our case when you refuse to provide the insurance policy and will not affirmatively state that a "covered claim" exists?

Furthermore, you now indicate that we missed a July 13, 2003 filing deadline for filing a claim with the Liquidator in New Hampshire, and that late claims may be accepted. **THANKS A LOT!** First you don't give us notice for three years that an insurance company is involved then tell us to go to New Hampshire, knowing that the statute of limitations has probably run. This deceptive act on your part is grounds for disbarment.

#### IV

I also appreciate your rebuttal of Mr. Marshall's commentary about our complaint of fraud and obstruction of justice in your statement that, "**Home had notice of Mr. Bowles' claim against BPS prior to liquidation.**" This simply proves that Home had the duty to defend that claim prior to its declaring insolvency. Home should have employed counsel and answered the suit, or should have given me notice. Instead, there was dead silence until I was inadvertently made aware that a malpractice policy had been issued.

I strongly feel that the Association's relatively recent entry into this litigation is to further a scheme to extricate Bishop and BPS from my lawsuit, and, importantly, to extricate Bishop's co-conspirators in the underlying suit from the prospect of further litigation of that suit, or involvement in the instant suit. A clue to this is that the Association's counsel moved immediately in 2005 for summary judgment employing a completely new defense tactic, Rule 97, the compulsory counterclaim rule used almost invariably by lawyers to quash legal malpractice suits by clients.

#### V

I also appreciate your putting down Mr. Marshall's comment to my lawyer that: "**As to the eight specific enumerated "demands" Mr. Bowles makes on the Association for production or response, I can tell you now that Mr. Bowles is not going to enjoy either production or response to any of those items. Not a one of those "demands" is statutorily, legally or professionally appropriate.**" This pompous, arrogant Galleria deep-carpet lawyer must have been at least slightly sobered by the comprehensiveness of your reply.

#### VI

You seem to be quite pleased that M&M was able to obtain a summary judgment against me at the end of June. This judgment was rendered as an illegal "death penalty sanction" against me in favor of BPS. My motion for rehearing has not yet been ruled on.

Isn't it odd that my motion for summary judgment that was before the court when the judge rendered the death penalty sanction against me was not considered or ruled on at all? That motion included (includes) sworn evidence that nullifies the BPS motion. Bishop and BPS failed to rebut the evidence with sworn testimony. In fact, the BPS motion that was granted included no sworn testimony by the only person authorized to give same, George M. Bishop. Mr. Bishop, your client, has not shown his face in the litigation in years. He refuses to accept documents mailed to him by certified mail.

This leads me to complain to the Association about the latest abomination that has been directed against me. This is a motion for severance whereby BPS asks to be severed out of the malpractice case on the notion that the corporation is not bound by the Texas Professional Corporations Act and is therefore not jointly and severally liable for the professional misconduct of its attorney-shareholders. In substance, the Association through its counsel is rejecting the principal whereby Kenneth Lay, Skilling and Fastow were criminally convicted as orchestrators of the fraud that brought down Enron. There were many criminal actors in the Enron saga, but finally, the prosecutors and the jury focused on the principals.

The Association's position that the Texas Professional Corporations Act can somehow be interpreted to permit severance of the BPS's liability for the conduct of one of the professionals who contracted to provide me with legal services (George M. Bishop) is absolutely absurd and groundless. Yet you tell us that the Association must defer to its counsel in all things.

Perhaps you need to take a good look at what Mr. Marshall deems to be good and proper defense tactics and do so in light of Judge Edith Jones charge that the legal system has been corrupted beyond recognition and that nihilism reigns ( as here, in the forms of conspiracy, fraud, obstruction of justice and deceit). You obviously need to decide to take seriously your own oath

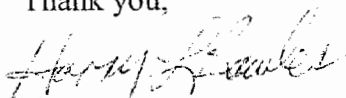


to uphold the laws and Constitution, and act in response to the Association's duty to serve the public welfare. The Association is focused entirely on its own self-interest with a win-at-any-cost attitude and scorched earth, hardball litigation tactics.

The collusion in conspiracy and fraud in this case is so blatant as to shock even me, a person subjected to non stop judicial abuse for going on 16 years. Judge Caroline Baker may not relish the possible political implications attaching to her acceptance of this outrageous conduct that Judge Edith Jones has critically assailed. This letter and attachments irrefutably validates Judge Jones keynote address. I am sending her a copy of this communication to reinforce her analysis of the state of the legal system.

***When may I expect a copy of the insurance contract?***

Thank you,



Harry L. Bowles

Attachment: Recent filing regarding severance, rehearing and my motion for summary judgment

## **American Legal System Is Corrupt Beyond Recognition, Judge Tells Harvard Law School**

**By Geraldine Hawkins**  
**March 7, 2003**

The American legal system has been corrupted almost beyond recognition, Judge Edith Jones of the U.S. Court of Appeals for the Fifth Circuit, told the Federalist Society of Harvard Law School on February 28.

She said that the question of what is morally right is routinely sacrificed to what is politically expedient. The change has come because legal philosophy has descended to nihilism.



Judge Edith H. Jones of the U.S. Court of Appeals for the Fifth Circuit talks to members of Harvard Law School's Federalist Society. Jones said that the question of what is morally right is routinely sacrificed to what is politically expedient.

[http://www.massnews.com/2003\\_Editions/3\\_March/030703\\_mn\\_american\\_legal\\_system\\_corru](http://www.massnews.com/2003_Editions/3_March/030703_mn_american_legal_system_corru)

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