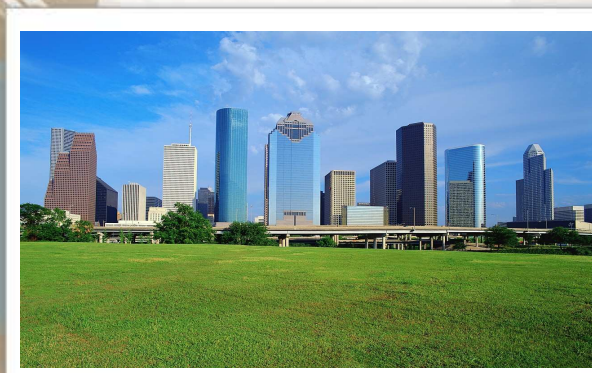




This market is like chasing a ball downhill!



Dear Clients and Friends:

After a slow start to the year, we are now two-thirds of the way through Quarter 2 with insights and news to share.

Trustee Sale Guarantees (TSGs) for commercial foreclosures. At the beginning of 2008, few in the title insurance industry, let alone the rest of the real estate world, had any idea of what a TSG was. Now it makes up over 50% of our firm's revenues each month. We are working with lenders of all shapes and sizes, as well as their counsel, to provide quick turnaround times on TSG orders. Now that most of the leveraged Arizona residential land and lots seem to have been taken back by lenders (except for FDIC-sold promissory notes collateralized by land/lots, which are now starting to hit foreclosure), we are seeing income-producing property (at least it used to be income producing) next – in a big way. If you work in commercial real estate, it is time to reinvent yourself if you want to stay relevant.

Residential refinances are slowing. This has been a bright spot for the industry, but interest rates have jumped recently to 5.25% from 4.75% a few weeks ago, and they probably are not coming back down because long-term interest rates on government debt are soaring. If you live in Arizona and have enough equity to qualify for a refinance, you are in an elite group. Getting a loan approved is taking a long time as lenders are generally not offering rate locks until appraisals are completed. Please let us know if you are refinancing your home, as we want to help you with the title and escrow work. If you need assistance in finding a reputable mortgage banker for your home, we can assist with that as well.

We are now an authorized agent of Fidelity National in addition to First American. On December 22, 2008, Fidelity National Financial completed the acquisition of Commonwealth Title and Lawyers Title insurance brands from the now-bankrupt LandAmerica Financial Group. With the addition of these two underwriters to its family of brands (including Fidelity National Title, Chicago Title, TICOR, etc.), Fidelity is the largest title insurer in the U.S. First American and Fidelity now underwrite approximately 75% of the policies in the U.S. Let us help you navigate choppy waters by working through the difficult underwriting issues (mechanics' liens, foreclosures, deeds in lieu, etc.) that permeate today's market.

Corporate escrows are picking up. The capital markets are thawing slowly and we have recently assisted clients with a number of requests for corporate escrows related to M&A transactions and private securities offerings. We are able to move very quickly to set up even the most complicated deal structures in a cost-effective manner.

National commercial platform continues to grow. Since arriving in December, Melissa Nance has assisted our growing base of national clients in 15 states. Her recent work includes multi-state, multi-site portfolios acquisitions, REO sales, TSGs and special report requests. We have been named an authorized provider of title and escrow solutions for several large banks' national workout groups.