

nevertheless so attenuated that Land Title did not even issue Chicago Title Insurance Company's own policies may account in large part for its finding that Chicago Title was not responsible for Land Title's regulatory violations.

In the Stewart Title Insurance Underwriting Agreement (Exhibit 3) with Rainier Title, it is clear in paragraph 1 that the policies Rainier Title is authorized to "issue" are "Underwriter's [Stewart's] title policies" covering property in the State of Washington in King, Snohomish, Kitsap and Pierce counties. Paragraph 8(a) specifies that if Stewart should terminate its agreement with Rainier Title, Rainier Title has to "cease and discontinue the issuance of title policies of UNDERWRITER." All of Rainier Title's policies during the relevant timeframe were, in fact, Stewart Title policies since Stewart was Rainier's only appointment during that time. If the name of Rainier Title appears at all in any of those Stewart policies, it would only be as the agent for Stewart. The Court simply does not fully understand how insurance works in practice, especially the particular quirks of title insurance.

Under RCW 48.01.053, an "issuer" of insurance policies means an "insurer, fraternal benefit society, certified health plan, health maintenance organization, and health care service contractor." Therefore, the use of the confusing term "issuing agent" in the Chicago Title "Issuing Agency Agreement" is as meaningless as the term "underwritten title company." By definition, an agent cannot "issue" a policy of insurance. The agent does, however, physically produce the policy and deliver it to the insured on behalf of the insurer. This is the case for almost every kind of insurance, and is no different that the role of the agent in the local Allstate or State Farm office. Title insurance differs only in that the agent does most of the actual work of determining insurability, and keeps the lion's share of the premium for doing so. This is simply because each parcel of real property must be evaluated individually at the local level, where ownership, tax and lien documents are traditionally filed at the county courthouse, or nowadays in the agent's county title plant, where the property is located. The home office of a title insurer in another state would therefore not be able to quickly and easily determine what, if any, encumbrances affect the parcel and determine insurability and an appropriate premium.

Otherwise, principles of insurance and legal relationships between agent and insurer are the same as in other lines of insurance. The Court of Appeals failed to accord the proper deference to RCW 48.17.010.¹ The Court of Appeals did not consider the meaning of solicitation in the Insurance Code. As a result, it erroneously concluded that Land Title's "marketing" is not "solicitation." The Court of Appeals' flawed analysis regarding the existence and scope of an insurer and agent relationship abrogates the Supreme Court's decision in *Day v. St. Paul Fire & Marine Ins. Co.*, 111 Wn.2d 49, 189 P. 95 (1920) and conflicts with the analysis prescribed for the business of insurance in *Miller v. United Pacific Casualty Ins. Co.*, 187 Wash. 629, 636-9, 60 P.2d 714 (1936), and *American Fidelity & Casualty Co. v. Backstrom*, 47 Wn.2d 77, 81, 287 P.2d 124 (1955). Once an agency relationship is established, the conduct and knowledge of an insurance agent are imputed to the principal if the conduct and knowledge are within the scope of the agency relationship. *Ellis v. Wm. Penn Life Assur. Co.*, 124 Wn. 1, 16, 873 P.2d 1185 (1994); *Miller*, 187 Wash. at 636-9. This is true even when the agent acts illegally, in a manner the insurer later attempts to disown. *Id.* at 634. The question is how to determine the existence and scope of the insurer and agent relationship.

As the Supreme Court held in *Day*, the existence and scope of the insurer and agent relationship is statutorily defined. In the insurance context, this Court looks first at whether a person or company was appointed as an agent in compliance with the appointment statute. *Day*, 111 Wn.2d at 51-53. Where an agent has been appointed, as is the case with Rainier Title, the scope of that agency relationship is defined by the statutory definition of "title insurance agent." The Court of Appeals erred when it minimized the holding in *Day* as merely recognizing "a new method to determine who the law will consider to be an agent," and that *Day* did not address the scope of the agency.(emphasis added). In *Day*, the Supreme Court determined that in the Insurance Code "the duties and powers of such insurance agents... are defined." *Day*, 111 Wn.2d at 52. Further, the Insurance Code, "was passed for the purpose of clearly defining the insurance company's duties and liabilities." *Id.* at 54. *Day* provides that appointment under the Insurance Code conclusively determines the existence of the agent insurer relationship with

¹ Courts give substantial deference to the Commissioner's interpretation of insurance statutes and rules. *Premera v. Kreidler*, 133 Wn. App. 23, 37, 131 P.3d 930 (2006); *Regence Blue Shield v. Ins. Comm'r*, 131 Wn. App. 639, 646, 128 P. 3d 640 (2006). The Court of Appeals decision gave no deference to the Commissioner.

respect to the solicitation of the business of insurance.

The Court of Appeals' holding that "Washington's insurance code is silent regarding ... the scope of agency generally..." directly conflicts with the Supreme Court's analysis in *Miller* and *Backstrom*. In both *Miller* and *Backstrom*, the Court considered the definition of "agent" in the Insurance Code to determine the scope of authority. Here, the conduct at issue is solicitation of insurance by advertising itself in violation of WAC 284-29-215(2). RCW 48.17.010 leaves no opening to negotiate away responsibility when the insurer solicits business through an agent. No one disputes that Rainier Title and Land Title were both duly appointed by Stewart Title and Chicago Title, respectively, under RCW 48.17.160 as their agents (Exhibit 4). Contrary to the assertion of the Chicago Court, for most of the period of time at issue, the insurance code *does* clearly specify the scope of a title insurance agent's agency. RCW 48.17.010 stated on March 20, 2009, at the time Rainier was solely appointed by Stewart, that "agent" means "any person appointed by an insurer to solicit applications for insurance on its behalf." Fewer than four months later, while Rainier Title was still solely appointed by Stewart, the law expended to more fully define the scope of an agent's role. As of July 1, 2009, a "title insurance agent" is defined under RCW 48.17.010(15) as a "business entity licensed under the laws of this state and appointed by an authorized title insurance company to sell, solicit or negotiate insurance on behalf of the title insurance company." "Sell" is defined under RCW 48.17.010(12) as to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer." Under RCW 48.17.010(13), "solicit" is defined as "attempting to sell insurance or urging a person to apply for a particular kind of insurance from a particular insurer." "Negotiate" under RCW 48.17.010(10) "means the act of conferring directly with, or offering advice directly to, a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers."

Rather than applying the case law and statutes applicable to agency in the context of insurance regulation, the Court of Appeals improperly borrowed common law doctrines

applicable to other fields of law. As a result, the Court of Appeals decision allows Stewart to bypass the consumer protection provisions imposed by statute, rule and case law, and engage in unrestricted solicitation tactics by using an agent to deceptively persuade consumers to buy Stewart's policies. The common law of agency is not applicable to the question of whether an insurer is responsible for its agent's solicitation of insurance through illegal advertisements under WAC 284-29-215(2). However, even if the common law is applied to analyze this question, it should not be interpreted in a manner that frustrates the statutory agent appointment requirements and negates the public protection provided by the State's insurance statutes.

An agent has apparent authority to act for a principal when the principal makes objective manifestations of the agent's authority to a third person. *Ranger Ins. Co. v. Pierce County*, 164 Wn.2d 545, 555, 192 P.3d 886 (2008). Here, unrebutted evidence establishes that the agency exists. Through its appointment of Rainier Title, Stewart notified the Insurance Commissioner that Rainier Title was authorized to act as Stewart's agent in the respective counties. This was an objective manifestation to the Commissioner that this particular agent was acting on the insurer's behalf. Pursuant to the appointments on file, the Insurance Commissioner requires insurers to take responsibility for the acts of their agents that fall within the statutorily defined scope of an agent's role (e.g., solicitations, negotiations and sales on behalf of the insurer). Nothing in the appointment statute or common law allows title insurers, in private agreements with their agents, to disclaim their responsibility for complying with statutes and regulations that protect consumers.

The Court of Appeals' analysis relied on inapposite court cases that do not involve a regulated industry with agent appointment requirements statutorily imposed by the Legislature. The Court of Appeals erroneously relied on *Ranger*, where the record contained no evidence of any objective manifestation by the principal for the conduct taken by the agent. *Ranger*, 164 Wn.2d at 555. In *Ranger*, which involved the specialized and unique business of bail bonds, there was also a question of the scope of the agent's authority to apply funds from one company to bonds issued by other companies. *Id.* at 556. Unlike this case, there was no statute that clearly addressed the conduct within the scope of the agency relationship. In the context of title insurance, any solicitation by the agent, even improper solicitation, is by statute within the scope

of the agent's appointment. Therefore the advertisement offered by an agent as a means of soliciting insurance are indirectly the insurer's advertisement.

The Court of Appeals also read its own precedent, *DLS v. Maybin*, 130 Wn. App. 94 (2005), too broadly when it concluded that the doctrine of apparent authority applies only in the context of a harmed, innocent third party. *DLS* was a tort action by the parent of an employee at an independent McDonald's franchise to collect damages against the McDonald's Corporation for harm caused to their child. There were no facts in the record that constituted an objective manifestation by McDonalds to the parents that the independent franchisee was its agent. *DLS* was not an action brought in the context of the heavily regulated insurance industry, in which the legislature statutorily requires that agent relationships must be formally recognized. The Court of Appeals decision conflicts with precedent in the insurance context. In *Pagni v. New York Life Insurance Co.*, 173 Wash. 322, 23 P.2d 6 (1933), the insurer argued it was not responsible for misrepresentations made by its long-time agent, because the agent "was governed by his written authority issued to him by the insurer; and that, as such agent ... had no power to waive any provision of the policy." The Court rejected the argument, stating:

As in the case of agencies in general, **an insurance company is bound by all acts, contracts, or representations of its agent**, whether general or special, which are within the scope of his real or apparent authority, **notwithstanding they are in violation of private instructions or limitations upon his authority**, of which the person dealing with him, acting in good faith, has neither actual nor constructive knowledge.

Id., 173 Wash. at 349-350 (internal quotes omitted, emphasis added).

Thus, the Court of Appeals ignored the longstanding principle that insurers are bound by the acts of their agents, even if the agents are in violation of the private limitations of their authority, unless the person with whom the agent is dealing has actual or constructive knowledge of the agent's limitation of authority. *Fletcher v. West Am. Ins. Co.*, 59 Wn. App. 553, 558, 799 P.2d 740 (1990), *review denied*, 117 Wn.2d 1006, 815 P.2d 265 (1991).

Given the reverse competition structure of title insurance sales, companies, either directly or through their appointed agents, "solicit" and "negotiate" insurance to and with so-called middle men who steer the prospective insured to a particular company. Ironically, the prospective insured usually couldn't care less which insurance company insures title to the property, so all marketing and advertising is directed to the middle men. Thus, appointment of an agent authorizes that agent to step into the shoes of the principal and bind the principal by effectuating an insurance policy on its behalf. The agent has actual authority to conduct the principal's sales business from initial solicitation, through negotiation, to final sale. And should a claim arise, it is likely to go to Stewart through Rainier Title, as well.

Critical to the analysis of the relationship between Stewart, Rainier Title, and the State of Washington is the specific method and consequence of appointment of a title insurance agent under RCW 48.17.160(2). It states that in order to appoint a title insurance agent, the appointing insurer has to file, in a format approved by the Commissioner, a notice of appointment within fifteen days from the date the agency contract is executed. So, the appointment itself has no meaning outside the regulatory framework because the private agency agreement alone is sufficient for the agent and principal to set the parameters of their relationship. Written notification to the Commissioner of the appointment is the moment when authority is bestowed on the agent from the principal *for statutory and regulatory purposes*. After notice to the Commissioner, the principal is bound by the acts and omissions of the agent *under the insurance code* as the agent sells, solicits or negotiates title insurance on its behalf.

This is the only rational purpose for requiring the insurer to notify the Commissioner of its appointment of the agent. If the notification is for information only and does not actually affect the regulatory relationships among the Commissioner, the agent, and the principal, it has no legal significance. It can only be presumed that the legislature does not mandate meaningless acts. The common law of torts and contracts are germane to the two contracting parties, but irrelevant to the Commissioner's apportionment of regulatory responsibility for acts and omissions once an appointment is in place. The principal can't contract away those statutory

responsibilities in a private agency agreement. Once an appointment is made, both the agent and the principal are responsible for regulatory compliance in their work together, and both are answerable to the Commissioner for violations.

Rainier Title ran an advertisement on its website that featured a producer of title insurance business, Nest Financial, LLC, a licensed mortgage broker and short sale facilitator (Exhibit 5). The advertisement also provided a hyperlink directly to Nest Financial's own website. Both Stewart and Rainier Title were simultaneously offered Consent Orders Imposing a Fine for violating WAC 284-29-215(2) by advertising with a producer of title insurance business, Nest Financial, on November 12, 2010 (Exhibit 6). On December 14, 2010, the OIC entered a Consent Order Imposing a Fine of \$500 on Rainier Title, LLC (Exhibit 7). Stewart declined to enter into the Consent Order Imposing a Fine of \$2,500. Even though the Rainier Title/Nest Financial advertisement does not mention Stewart by name, when Rainier Title boasts to real estate agents that it is the preferred provider of title insurance for Nest Financial-facilitated short sale closings, Rainier Title is appealing to real estate agents, not necessarily directly to prospective short sale sellers. The solicitation to a sale of a Stewart insurance policy is inevitable, since Rainier Title was appointed by no other insurer during the relevant timeframe. Every sale of a Stewart policy by Rainier Title was a sale by and for Stewart. In the Chicago Title case, the OIC only attempted to take enforcement action against Chicago Title, and did nothing to Land Title. The Chicago Court appeared to take umbrage at lack of notice to Chicago Title about its agent's alleged regulatory violation. In this case, Stewart Title was made aware of the violation at the same time as Rainier Title was. There was minimal investigation time since the advertisement and link were on Rainier's website and spoke for themselves.

Finally, the advertisement at the heart of the regulatory violation committed by Rainier Title states that "Rainier Title is honored to be selected as the preferred provider of Title and Escrow Services by Nest Financial. . ." Thus, Rainier's violation encompasses both title insurance and escrow services since presumably any short sale effectuated by Nest Financial will use Rainier Title's escrow department as well as its title insurance product. The fact that Rainier Title does not now write exclusively for Stewart Title, and that the Company is independent and

locally owned and operated does not alter the fact that Rainier Title was acting on behalf of Stewart during the time in question not only each time it sold a Stewart policy, but also each time it advertised its title and escrow services.

Many property and casualty agencies are similarly independently owned and operated, and yet the insurer is equally responsible for any regulatory violations by the agent since he or she is selling, soliciting and negotiating insurance for the insurer. Insurers operating in Washington, other than title insurers, have recognized this for decades and invariably take full responsibility when one of their agents violates the insurance code. They know that they assumed responsibility when they notified the Commissioner of the appointment. It is high time that all insurers, including Chicago Title and Stewart Title, realize that they are indeed insurers like every other insurer and that they must therefore take responsibility for their agents rather than try to avoid it by ignoring the insurance code in favor of a private contract.

Respectfully submitted this 4th day of April, 2012.

Marcia G. Stickler
Staff Attorney
Office of the Insurance Commissioner
(360) 725-7048 or MarciaS@oic.wa.gov

AMENDED
No. 1100

Certificate of Authority

STATE OF WASHINGTON
INSURANCE COMMISSIONER
OLYMPIA

THIS IS TO CERTIFY, That

CHICAGO TITLE INSURANCE COMPANY
Omaha, Nebraska

organized under the laws of Nebraska presented satisfactory evidence of compliance with the Insurance Code of the State of Washington and is therefore granted this Certificate of Authority, authorizing the company, subject to all provisions of this Certificate, to transact the following classes of insurance:

Title

as such classes are now or may hereafter be defined in the Revised Code of Washington.

THIS CERTIFICATE is expressly conditioned upon the holder being and remaining in full compliance with, and not in violation of, all of the applicable laws and lawful requirements made under authority of the laws of the State of Washington.

THIS CERTIFICATE will be automatically revoked upon failure to annually apply for renewal or pay the statutory fee for renewal.

THIS CERTIFICATE IS NOT TRANSFERABLE WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER.

IN WITNESS WHEREOF, effective as of the 18th day of March, 1977, I have hereunto set my hand and caused my official seal to be affixed this 4th day of January, 2008.



Mike Kreidler
Insurance Commissioner

By Marshall M. Dennis
Acting Deputy Insurance Commissioner

Redomesticated from Missouri to Nebraska.

EXHIBIT 1 PAGE 1

Nº 1484

Certificate of Authority

STATE OF WASHINGTON
INSURANCE COMMISSIONER
OLYMPIA

THIS IS TO CERTIFY, That, pursuant to the Insurance Code of the State of Washington,

STEWART TITLE GUARANTY COMPANY

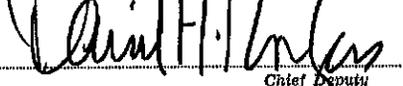
of GALVESTON, TEXAS, organized under the laws of TEXAS, having presented satisfactory evidence of compliance, this Certificate of Authority is hereby granted, authorizing the company to transact the following classes of insurance:

TITLE - RCW 48.11.100

subject to all provisions of this Certificate as such classes are now or may hereafter be defined in the Insurance Laws of the State of Washington.

THIS CERTIFICATE is expressly conditioned upon the holder hereof now and hereafter being in full compliance with all, and not in violation of any, of the applicable laws and lawful requirements made under authority of the laws of the State of Washington as long as such laws or requirements are in effect and applicable, and as such laws and requirements now are, or may hereafter be changed or amended.

IN WITNESS WHEREOF, effective as of the...3rd...day of...MAY..., 19.83., I have hereunto set my hand and caused my official seal to be affixed this...3rd...day of...MAY..., 19.83.


Insurance Commissioner
By 
Chief Deputy

Visit our website at www.insurance.wa.gov

You will find news releases, advisories, administrative actions and information regarding consumers, insurers and licensees.

- Licensee/Insurer lookup program that allows you to check the status of any license, appointment or affiliation.
- Licensing information containing instructions, forms and fees for all types of licensees and information for CE providers.
- Online Services:

- o **For Licensees**

- Individual - Must register/login**

- License renewal
- Change address, name or DBA
- Print license(s), appointment(s) or affiliation(s)
- View education history or current profile
- View pending online request
- Add a new license type
- Reinstate or reapply for a previous licensee
- Update CRD# to add Variable LOA
- View list of appointments & affiliations

- Business Entity - Must register/login**

- License, affiliation and branch renewal
- Change address, name, branch or DBA
- Print license(s), appointment(s) or affiliation(s)
- View pending online request
- Add or cancel an affiliation
- View current profile
- Print unpaid invoice
- Reinstate or reapply for a previous licensee
- Update CRD# to add Variable LOA
- View list of appointments & affiliations

- o **For First Time Applicants** - individuals and business entities can submit and track their online applications.

If you have not registered to use our Online Services, you may request a registration letter by calling **360-725-7144** or by emailing licinfo@oic.wa.gov

Beginning June 1, 2011, renewal notices will be emailed to your registered email address 45-60 days prior to your license expiration date. It is vital that you maintain your current email address.

If acting in a broker capacity, please note that a producer is required to have a bond in place prior to placing business.

New rules which affect your insurance license – Licensing must now be done online!

Check out the new rules at www.insurance.wa.gov, then select the Agents/Brokers tab, then select the "Attention Licensees" icon.

*** * * TITLE LICENSE * * ***

WAOIC # : 184266

EFFECTIVE: 09/04/2001
EXPIRES: 09/04/2013

RAINIER TITLE LLC
1501 4TH AVE STE 308
SEATTLE WA 98101

THE LICENSEE IS AUTHORIZED TO SELL THE FOLLOWING LINES OF INSURANCE:

Title

THIS LICENSE MUST BE ACCOMPANIED BY A CURRENT APPOINTMENT CERTIFICATE FOR EACH INSURER REPRESENTED.

Visit our website at www.insurance.wa.gov

You will find news releases, advisories, administrative actions and information regarding consumers, insurers and licensees.

- Licensee/Insurer lookup program that allows you to check the status of any license, appointment or affiliation.
- Licensing information containing instructions, forms and fees for all types of licensees and information for CE providers.

• Online Services:

o For Licensees

Individual - Must register/login

- License renewal
- Change address, name or DBA
- Print license(s), appointment(s) or affiliation(s)
- View education history or current profile
- View pending online request
- Add a new license type
- Reinstate or reapply for a previous licensee
- Update CRD# to add Variable LOA
- View list of appointments & affiliations

Business Entity - Must register/login

- License, affiliation and branch renewal
- Change address, name, branch or DBA
- Print license(s), appointment(s) or affiliation(s)
- View pending online request
- Add or cancel an affiliation
- View current profile
- Print unpaid invoice
- Reinstate or reapply for a previous licensee
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o For First Time Applicants - individuals and business entities can submit and track their online applications.

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Check out the new rules at www.insurance.wa.gov, then select the Agents/Brokers tab, then select the "Attention Licensees" icon.

*** * * TITLE LICENSE * * ***

WAOIC # : 23081

EFFECTIVE: 10/14/1968
EXPIRES: 06/01/2012

LAND TITLE COMPANY OF KITSAP COUNTY
POB 2737
SILVERDALE WA 98383

THE LICENSEE IS AUTHORIZED TO SELL THE FOLLOWING LINES OF INSURANCE:

Title

THIS LICENSE MUST BE ACCOMPANIED BY A CURRENT APPOINTMENT CERTIFICATE FOR EACH INSURER REPRESENTED.

EXHIBIT 2 PAGE 2

TITLE INSURANCE UNDERWRITING AGREEMENT

(Non-Exclusive Form)

THIS AGREEMENT entered into on December 3, 2008, between STEWART TITLE GUARANTY COMPANY, a Texas Corporation (referred to herein as "UNDERWRITER"), and Rainier Title, LLC, A Washington Limited Liability Company, referred to herein as "Company").

1. **TERRITORY:** COMPANY is a non-exclusive agent authorized to issue UNDERWRITER's title policies covering property in the State of Washington, Counties of King, Snohomish, Kitsap, and Pierce (hereinafter referred to as "Territory"), and in those areas within said state where UNDERWRITER does not now have, nor in the future acquires, an exclusive title insurance representative. COMPANY shall not issue UNDERWRITER's title policies on property located outside of said Territory.

2. DUTIES OF UNDERWRITER:

- (a) UNDERWRITER shall furnish to COMPANY all regularly issued title policy, binder, commitment, and endorsement forms necessary for the issuance of title insurance.
- (b) UNDERWRITER shall maintain a capacity for the research of matters pertaining to title insurance risks and shall remain active in the various trade associations relating to title insurance. In this regard UNDERWRITER shall:
 - (1) Furnish COMPANY from time to time with rules and instructions involving matters of importance to the business of title insurance.
 - (2) Promptly determine questions submitted by COMPANY regarding the issuance of title policies.
- (c) UNDERWRITER shall pay premium and other similar taxes on the actual cash (gross premium [risk rate]) charged for and remitted to UNDERWRITER by COMPANY pursuant to paragraph 11 hereof. Except that UNDERWRITER shall deduct therefore the cost of any reinsurance or coinsurance purchased by UNDERWRITER, and UNDERWRITER shall not be liable for any other taxes of any kind due on income derived by COMPANY. Should UNDERWRITER be required to pay premium tax on any amount greater than that specified above, COMPANY agrees to reimburse UNDERWRITER for such additional tax.
- (d) UNDERWRITER shall defend at its own expense all actions and pay all losses under its title policies except as herein otherwise provided subject to the right of reimbursement in paragraph 5 hereof. UNDERWRITER does not have any obligation to defend COMPANY in any action filed against COMPANY for COMPANY's malfeasance or negligence, even though COMPANY may have issued UNDERWRITER's title policy.
- (e) UNDERWRITER shall grant COMPANY authority to order UNDERWRITER's usual form of insured closing letter
for each of COMPANY's customers that requests such a letter, pursuant to a subsequently designated authorization of COMPANY'S representative, allowing access to the Insured Closing Letter system of UNDERWRITER thru internet access.

3. DUTIES OF COMPANY:

- (a) COMPANY shall conduct its business in a sound and ethical manner and shall issue title policies according to recognized underwriting practices, the rules and instructions given by UNDERWRITER, and those rules and instructions imposed by the Department of Insurance or other regulatory body.

- (b) All title policies must be based on a written report of title resulting from a complete search and examination of those public records, surveys, and inspections relevant to the insurance afforded by such policies. Where outside attorneys are used for examination, they shall act for and be paid by COMPANY but shall be approved by UNDERWRITER. Each title policy shall be on a form designated by UNDERWRITER and shall correctly reflect the status of title as of the date and time of said policy with appropriate exceptions as to liens, defects, encumbrances, and/or objections disclosed by the search and examination of title or known by COMPANY to exist.
- (c) For each title policy issued, COMPANY shall preserve in a separate file all documents supporting the search, examination, and report of title on which the title policy is based. UNDERWRITER shall have the right to make copies of all said title reports and documents at any time within ten (10) years after termination of this Agreement...
- (d) No later than the fifteenth (15th) day of each month, COMPANY shall send to UNDERWRITER a register which shall consist of the following:
- (1) A numerical list of all policies issued or charged for or voided during the previous month.
 - (2) A copy of each policy issued or charged for during the previous month and the original of each policy voided.
 - (3) A check for the gross premiums charged for the account of UNDERWRITER for the previous month.
- (e) COMPANY agrees to keep safely in its escrow account, separate from COMPANY's individual accounts, all funds received by COMPANY from any source(s) in connection with transactions in which UNDERWRITER title policies will be issued, and to disburse said funds only for the purpose for which they were entrusted. Said account shall be designated "Rainier Title Escrow Account" COMPANY agrees to reconcile said escrow account each month within thirty (30) days of the date of the bank statement. UNDERWRITER may at any time make, but shall have no obligation to make, an audit of said escrow account and the general books of accounts and of all accounts, checks, records, or files of COMPANY pertaining to transactions in which UNDERWRITER's title policies are or will be issued.
- (f) COMPANY agrees to keep in force, at COMPANY's expense, a million dollar (\$1,000,000.00) minimum amount Title Agent Errors and Omissions Policy with opinions coverage and a deductible provision of no more than _____ twenty five thousand (\$25,000.00) per loss payable so as to protect UNDERWRITER as well as COMPANY. In the event COMPANY has in force an Errors and Omissions Policy and/or a Fidelity Bond, COMPANY hereby assigns to UNDERWRITER all of its rights, claims, and causes of action that accrue thereunder. A copy of the Policy and Bond shall be furnished to UNDERWRITER.
- (g) Prior to the issuance of a binder, commitment, or title policy in excess of UNDERWRITER's single policy retention limit, as determined by UNDERWRITER from year to year, or if a customer requests reinsurance at any level, COMPANY shall immediately obtain UNDERWRITER's consent and send a copy immediately to the Reinsurance Department of UNDERWRITER in order that UNDERWRITER may contract for such reinsurance as it deems necessary. UNDERWRITER will pay the percentage of the reinsurance cost equal to the percentage remitted to it by COMPANY pursuant to paragraph 11 hereof, and the balance of the reinsurance costs will be paid by COMPANY. COMPANY shall obtain UNDERWRITER's consent as specified in paragraph 4b.
- (h) In the event a claim is made under a title policy, COMPANY shall give immediate notice thereof to UNDERWRITER and furnish to UNDERWRITER a Claim Report Form, a copy of the title policy involved, and all documents and information available relating to the claim. COMPANY shall conduct all investigations requested by UNDERWRITER and shall cooperate with UNDERWRITER in the defense or settlement of the claim, whether such claim be made before or after the termination of this Agreement.

- (i) COMPANY shall furnish UNDERWRITER with a copy of any audit or report that COMPANY is required to make to the Department of Insurance (or similar regulatory body) and a copy of those reports of operations and financial status as stockholders and directors of the COMPANY are permitted by law to see.
- (j) COMPANY authorizes UNDERWRITER to verify and exchange information regarding COMPANY and/or its principals and any current or subsequent contractual agreement including, but not limited to, requesting investigative consumer reports, records of criminal convictions, credit reports, and/or consumer report information at any time. Further, COMPANY and/or its principals understand that upon reasonable written request they may obtain additional information about such reports under the Fair Credit Reporting Act. COMPANY shall provide UNDERWRITER with a list of COMPANY's ten (10) largest customers as well as any entity in which COMPANY or its principals may have the ability to direct such entity's activities.
- (k) COMPANY agrees that COMPANY will adhere to UNDERWRITER'S guidelines regarding the privacy protection of nonpublic personal information relating to consumers and customers as outlined in UNDERWRITER'S bulletins and other writings as circulated from time to time. COMPANY is not authorized to share nonpublic personal information that COMPANY collects on UNDERWRITER'S behalf with any other persons, except as expressly authorized in writing by the UNDERWRITER'S guidelines.
- (l) Company shall indemnify, protect, save, defend and hold Underwriter harmless from any unauthorized use of the forms, materials and manuals, of whatever nature, supplied by Underwriter to Company, whether such forms, materials and manuals are produced electronically, preprinted or otherwise.

4. COMPANY'S AUTHORITY AND LIMITATIONS THEREON:

- (a) COMPANY is authorized to issue title insurance on forms furnished by UNDERWRITER subject to the provisions of this paragraph, but COMPANY shall not alter forms without the prior written consent of UNDERWRITER.
- (b) No title policy shall be issued by COMPANY in excess of One Million Dollars (\$1,000,000.00) without first obtaining the prior written consent of UNDERWRITER.
- (c) COMPANY's Board of Directors shall approve in writing the names of its employees given authority to countersign UNDERWRITER's title policies, and shall provide UNDERWRITER a list of said authorized employees.
- (d) COMPANY shall not without UNDERWRITER's prior written consent settle, compromise, or negotiate any claim under a title policy of UNDERWRITER, or employ counsel for UNDERWRITER or an insured in regard to a claim, or accept service of process on behalf of UNDERWRITER.
- (e) COMPANY shall not without UNDERWRITER's prior written consent insure over a title defect, lien, or encumbrance, regardless of any indemnity or deposit that COMPANY shall obtain.
- (f) COMPANY is expressly not appointed as an agent of UNDERWRITER for purposes of providing abstracting and/or escrow services, and UNDERWRITER shall have no liability or responsibility for any claims or losses due to COMPANY acting as principal in providing such abstracting and/or escrow services.
- (g) COMPANY is expressly not appointed by UNDERWRITER as its agent for receipt of service of process, a notice of claim and/or complaint. In the event COMPANY receives said service of process, a notice of claim and/or complaint, COMPANY shall immediately inform the person or entity giving said service of process, notice of claim and/or complaint that COMPANY is not the agent of UNDERWRITER for the purpose of service of process, receipt of notice of claim, or receipt of complaint. COMPANY shall immediately inform the Insured to file its claim directly with the UNDERWRITER as required by the policy and inform the UNDERWRITER of the attempt to deliver service of process, notice of claim and/or complaint.

5. **DIVISION OF LOSS AND LOSS EXPENSE:** The term "Loss" shall include the amount paid to or for the benefit of the insured as well as loss adjustment expense including any cost of defending the claim resulting in the loss.
- (a) On each loss under a title policy issued pursuant to this Agreement not due to COMPANY's negligence or fraud, COMPANY shall be liable to UNDERWRITER for the first Five Thousand dollars (\$5,000.00) of such loss.
 - (b) On each such loss due to the fraud or intentional act or omission of COMPANY or its employees, representatives, or agents, or due to the negligence thereof; COMPANY shall be liable to UNDERWRITER for the entire amount of such loss including, but not limited to, attorneys' fees, litigation expenses, and costs of settlement negotiations. Such losses include but are not limited to:
 - (1) Violations of escrow instructions.
 - (2) Failure to follow underwriting guidelines and/or instructions of UNDERWRITER.
 - (3) Failure to prepare a title policy which shows defects and matters affecting title disclosed in the title search or which should have been disclosed in the title search.
 - (c) On each loss suffered by UNDERWRITER by reason of its Insured Closing Letter issued pursuant to paragraph 2e of this Agreement, COMPANY shall be liable to UNDERWRITER for the entire amount of such loss including, but not limited to, attorney fees, litigation expenses, and costs of settlement negotiation.
 - (d) On each loss in which COMPANY is liable to UNDERWRITER under this Section 5, COMPANY hereby grants to UNDERWRITER a lien on all the assets of COMPANY until all sums owing hereunder are paid.
6. **TERMINATION OF AGREEMENT:** This Agreement is terminable without cause by either COMPANY or UNDERWRITER at any time on sixty (60) days written notice.
7. **TERMINATION UPON DEFAULT, ETC.:** In addition to other termination provisions contained in this Agreement, UNDERWRITER may immediately terminate this Agreement at any time by written notice to COMPANY upon the happening of any of the following:
- (a) Any bankruptcy proceedings (voluntary or involuntary), insolvency, receivership, or any like proceedings involving the financial stability of COMPANY.
 - (b) Any Court or Administrative proceeding or decision against COMPANY for the violation of any federal or state law or the breach of any rule or regulation of the Department of Insurance or other regulatory agency.
 - (c) Any revocation, disqualification, suspension, or termination of COMPANY's right to do business or any license it may have as a title insurance agency or abstractor.
 - (d) Any notice or information of any act by COMPANY of apparent fraud or dishonesty, or of any shortage in COMPANY's escrow account, or the refusal of COMPANY to allow UNDERWRITER to perform an audit as set out in Section 3e above.
 - (e) Any failure of COMPANY to keep proper accounting records of its escrow accounts or any failure to reconcile same within thirty (30) days of the date of the last bank statement.
 - (f) Any failure, refusal, or neglect by COMPANY to pay any remittances due to UNDERWRITER within twenty (20) days after written notice from UNDERWRITER to COMPANY of a deficiency.
 - (g) Any failure, refusal, or neglect to cure any default by COMPANY within thirty (30) days after written notice from UNDERWRITER to COMPANY concerning such default.

- (h) Any determination by UNDERWRITER, in its sole discretion, that COMPANY and/or its principals are pursuing a course of conduct not in keeping with sound title insurance business practices, or possess a credit rating which contains negative entries, or upon discovery that COMPANY or its principals have furnished any misleading or false information to UNDERWRITER or COMPANY.
8. **RELATIONSHIP OF UNDERWRITER AND COMPANY SUBSEQUENT TO TERMINATION:** Subsequent to termination or cancellation of this Agreement under any provisions of this Agreement:
- (a) COMPANY shall cease and discontinue the issuance of title policies of UNDERWRITER; provided, however, that UNDERWRITER shall have the right to have its title policies issued on those title transactions in process.
 - (b) COMPANY shall cease the use and/or display of the Stewart name or to hold itself out or to advertise itself as an issuing office of UNDERWRITER.
 - (c) COMPANY shall return to UNDERWRITER all materials, forms, manuals, and supplies furnished COMPANY by UNDERWRITER.
 - (d) COMPANY shall retain all evidence of insurability in its files for the benefit of both UNDERWRITER and COMPANY, and to comply with any governmental regulations or laws. UNDERWRITER shall have the right to copy any such files, which right shall survive the termination of this Agreement.
 - (e) COMPANY shall continue to account to UNDERWRITER for all policies in accordance with the provisions of this Agreement.
9. **ASSIGNMENT:** This Agreement is binding on and inures to the benefit of any successor of UNDERWRITER whether by merger, consolidation, affiliation, or otherwise.
10. **NOTICES:** All notices provided for in this Agreement shall be given in writing to the party affected and shall be personally delivered to the other party or mailed to it by Certified or Registered United States Mail at the appropriate address shown below.
11. **GROSS PREMIUMS - SCHEDULE OF PAYMENTS:**
- (a) COMPANY may charge any fees it desires of whatever character for its services which do not impose an obligation on UNDERWRITER, including the search and examination of title (which are a necessary and integral part of underwriting) in transactions where title insurance is being issued, so long as same are permitted by law and not inconsistent with any rate filing or any rules and regulations of the Department of Insurance or other regulatory Agency. Ten percent (10%) of the [rate filing], including all changes in or amendments to any of the above bracketed items, constitutes the gross premium (risk rate) to be charged for and remitted to UNDERWRITER by COMPANY. The gross premium (risk rate) shall include Ten Percent (10%) of all amounts charged for standard endorsements not described in paragraph 11b. In the event COMPANY, under this paragraph, pays UNDERWRITER according to an attached schedule of charges and COMPANY increases its charges to the public for title insurance, title examination, and escrow in conjunction with the issuance of a title policy, then the amount COMPANY shall pay to UNDERWRITER shall be increased by the same percentage. COMPANY agrees to promptly notify UNDERWRITER of any increase in charges to the public. All amounts constituting the gross premium (risk rate) are the property of UNDERWRITER, and shall be collected and held by COMPANY in trust for UNDERWRITER.
 - (b) COMPANY shall promptly remit to UNDERWRITER as gross premium (risk rate) One Hundred Percent (100%) of all charges made by COMPANY for extra hazardous risks or coverage assumed by UNDERWRITER. Extra hazardous risks shall include, but are not limited to, zoning coverage, usury coverage, non-imputation coverage,

shared application endorsement, option endorsement, and tie-in endorsement. These endorsements are not to be issued without permission of Houston Legal Department or a Senior Underwriter.

- (c) If loss and loss adjustment expenses (including attorney fees) incurred by UNDERWRITER in any one calendar year exceed Thirty Percent (30%) of the gross premium (risk rate) actually remitted to UNDERWRITER by COMPANY in that calendar year, then COMPANY'S remittance to UNDERWRITER for gross premium (risk rate) shall increase Ten Percent (10%) (One Hundred Ten Percent (110%) of the above remittance rate to UNDERWRITER) until UNDERWRITER has recouped all loss and loss adjustment expenses, including attorney fees, incurred in excess of said Thirty Percent (30%) of the gross premium (risk rate). This clause is cumulative.
- (d) In the event COMPANY becomes delinquent in remitting UNDERWRITER'S gross premium (risk rate) as determined by paragraph 11a above, COMPANY hereby grants to UNDERWRITER a lien against all the assets of the COMPANY until UNDERWRITER is fully paid.

IN WITNESS WHEREOF, COMPANY and UNDERWRITER have executed this Agreement as of the day and year first stated above.

UNDERWRITER:

STEWART TITLE GUARANTY COMPANY

P.O. BOX 2029

HOUSTON, TEXAS 77252

By: _____

Senior Vice President

Attest: _____

COMPANY:

Rainier Title, LLC

1501 4th Ave., Suite 208

Seattle, WA. 98101

By: _____

Signature

Attest: W.P. Carlson

47007

AMENDMENT TO TITLE INSURANCE UNDERWRITING AGREEMENT

BY AND BETWEEN

STEWART TITLE GUARANTY COMPANY

AND

RAINIER TITLE, LLC

BEARING AN EFFECTIVE DATE OF AUGUST 2, 2011

The Title Insurance Underwriting Agreement by and between Stewart Title Guaranty Company and Rainier Title, LLC, and dated December 3, 2008, is hereby amended as follows:

Paragraph 4 - COMPANY'S AUTHORITY AND LIMITATIONS THEREON:

Sub paragraph (b) is hereby amended as follows

- (b) No Title Policy shall be issued by COMPANY in excess of Two Million dollars (\$2,000,000.00) without first obtaining the prior written consent of UNDERWRITER.

All other items and conditions of the Title Insurance Underwriting Agreement remain in full force and effect.

ACCEPTED BY:

STEWART TITLE
GUARANTY COMPANY

By: [Signature]
James L. Goslin, Senior Vice President

Date: 8/5/2011

Rainier Title, LLC
COMPANY

By: [Signature]
Dwight A. Bickel

Date: August 3, 2011

Print

LICENSEE PROFILE

Business Entity Information

Name:
 FEIN: Org. Structure:

Licensee Information

CIC/PTC #: WAOIC #: Formed Date:
 NPN: Resident: Yes No Discp. Block
 CRD#: Online Registered? Yes Documents Online Documents

Disciplinary Block

DON #: Action Date: Block
 Comments:
 Action By:

Doing Business As

DBA Name	Cancel Date	<input type="checkbox"/>
Rainier Title		<input type="checkbox"/>

Mailing Address

Contact Name:
 Street 1:
 Street 2:
 City: Country:
 State / Province: Zip:
 Phone #: Extension: Fax:
 E-mail:

Business Address

Contact Name:
 Street 1:
 Street 2:

EXHIBIT 4 PAGE 1

City: Country:
 State / Province: Zip:
 Phone #: Extension: Fax:
 E-mail:

Licenses

License Type	Lines	Effective Date	Expiry Date	Cancel Date	Status
Title	T	09/04/2001	09/04/2013		Active

Branch List

Street 1	City	State	Zip	Branch DBA Name	Effective Date	Cancel Date
155 108TH AVE NW STE 705	BELLEVUE	Washington	98004		09/04/2001	09/04/2003
11040 MAIN ST STE 220	BELLEVUE	Washington	98004		09/04/2001	
10800 NE 8TH ST STE 210	BELLEVUE	Washington	98004		08/10/2007	09/04/2009
31620 23RD AVE STE 101	FEDERAL WAY	Washington	98003		09/04/2003	09/04/2005
33810 WEYERHAUSER WAY S #102	FEDERAL WAY	Washington	98003		09/04/2003	09/04/2005
33801 ST WAY S #105	FEDERAL WAY	Washington	98003		09/04/2003	09/04/2009
2727 HOLLYCROFT ST STE 320	GIG HARBOR	Washington	98335		01/13/2006	
841 CENTRAL AVE STE C215	KENT	Washington	98032		08/10/2007	
3400 188TH ST SW STE 190	LYNNWOOD	Washington	98037		08/10/2007	
429 E 29TH ST	PUYALLUP	Washington	98373		01/13/2006	09/04/2009
1501 4TH AVE STE 308	SEATTLE	Washington	98101		09/04/2001	
9615 LEVIN RD NW STE 103	SILVERDALE	Washington	98803		11/30/2006	09/04/2009
8004 WESTGATE BLVD STE 120	TACOMA	Washington	98406		01/13/2006	09/04/2009

Action Log

Show All

Created On	Action	Comments	Created By
09/01/2011	RD - Renewal Processed Date	Title License renewed on '9/1/2011 4:20:09 PM'.	RAINIER TITLE LLC
12/28/2010	OT - Other	REC'D CERTIFICATE OF LIABILITY INSURANCE (FOR \$...	Monica Solberg
06/30/2010	OT - Other	REC'D CERTIFICATE OF LIABILITY INSURANCE (FOR \$...	Monica Solberg
06/23/2010	OT - Other	WRONG PHONE # ENTERED ON MAILING ADDRESS LINE...	Monica Solberg
06/23/2010	MA - Mailing Address Change	Mailing Address changed to: 2722 COLBY AVE #125...	Monica Solberg
08/11/2009	RD - Renewal Processed Date	Title License renewed on '8/11/2009 8:29:34 AM'.	Cheryl Dyal
07/24/2009	RD - Renewal Processed Date	Licensee pending on 7/24/2009 3:17:49 PM for rea...	RAINIER TITLE LLC
07/24/2009	BA - Business Address Change	BUS Address: ContactName: from to Thomas High ...	RAINIER TITLE LLC

EXHIBIT 4 PAGE 2

07/24/2009	BA - Business Address Change	Business Address changed to: 2722 COLBY AVE #12...	Charlotte Borgert
07/24/2009	OT - Other	emailed regist. ltr	Charlotte Borgert
08/10/2007	RD - Renewal Processed Date	Title License renewed on '8/10/2007 9:38:06 AM'	Cheryl Dyal
07/27/2007	RD - Renewal Processed Date	Licensee pending on 7/27/2007 9:22:38 AM for rea...	Cheryl Dyal
01/05/2007	ON - Original Name	Original name of the Licensee: RAINIER TITLE LLC	Migration Migration

Link Payment

Val. #	Val. Date	Val. Amount	Dist. Amount	Division	Payment Mode		
213958	07/27/2009	350.00	0.00	Licensing	Check		
398596	09/01/2011	300.00	300.00	Licensing	ACH		

EXHIBIT 4 PAGE 3

[Print](#)

LICENSE DETAILS

License Information

License Type: Status: Cancel Date:

Effective Date: Expiry Date: Formed Date:

Designated Responsible Person WAOIC#:

[Show Pending](#)

Full Lines

Lines	Effective Date	Cancel Date	<input type="checkbox"/>
<input type="text" value="Title"/>	<input type="text" value="09/04/2001"/>	<input type="text"/>	<input type="checkbox"/>

Appointment List

Company Name	Company #	Appointment Date	Appointment Type	Expiry Date	Lines	Cancel Date
COMMONWEALTH LAND TITLE INSURANC...	313	01/03/2006	Regular Appointment	10/24/2009	Lines	03/12/2009
EnTitle Insurance Company	500214	07/01/2010	Regular Appointment	12/31/2013	Lines	03/01/2012
LAWYERS TITLE INSURANCE CORPORATION	720	09/04/2001	Regular Appointment	10/09/2009	Lines	03/12/2009
STEWART TITLE GUARANTY COMPANY	1265	12/17/2008	Regular Appointment	05/03/2013	Lines	
WFG NATIONAL TITLE INSURANCE COM...	500587	01/19/2011	Regular Appointment	08/30/2012	Lines	

Bond Information

Company #	Bond #	Bond Amount	Effective Date	Cancel Date
578	5258AVZ7170	200000.00	12/01/2009	

Guarantee Information

Company #	Guarantee Amount	Effective Date	Cancel Date
1265	200000.00	06/04/2009	
313	200000.00	08/13/2005	03/12/2009
720	200000.00	11/30/2006	03/12/2009

EXHIBIT 4 PAGE 4

Print

LICENSEE PROFILE

Business Entity Information

Name

FEIN Org. Structure

Licensee Information

CIC/PIC # WAOC # Formed Date

NPN Resident Yes No Discp. Block

CRD# Online Registered? Yes Documents Online Documents

Disciplinary Block

DON # Action Date Block

Comments

Action By

Doing Business As

Mailing Address

Contact Name

Street 1

Street 2

City Country

State / Province Zip

Phone # Extension Fax

E-mail

Business Address

Contact Name

Street 1

Street 2

City Country

EXHIBIT 4 PAGE 5

State / Province: Zip:
 Phone #: Extension: Fax:
 E-mail:

Licenses

License Type	Lines	Effective Date	Expiry Date	Cancel Date	Status
Title	T	10/14/1968	06/01/2012		Active

Branch List

Street 1	City	State	Zip	Branch DBA Name	Effective Date	Cancel Date
801 6TH ST ROB 437	BREMERTON	Washington	98337		06/07/2004	06/01/2008
1140 BETHEL AVE STE 202	PORT ORCHARD	Washington	98366		06/18/1998	
19301 8TH AVE NE STE D	POULSBO	Washington	98370		06/18/1998	05/28/2010

Action Log

Show All

Created On	Action	Comments	Created By
12/28/2011	NC - Name Change	Licensee's name changed to LAND TITLE COMPANY O..	Shella Ribble
05/28/2010	RD - Renewal Processed Date	Title License renewed on '5/28/2010 12:41:57 PM'	Shella Ribble
05/21/2008	RD - Renewal Processed Date	Title License renewed on '5/21/2008 11:08:17 AM'	Cheryl Dyal
05/05/2008	RD - Renewal Processed Date	Licensee pending on 5/5/2008 3:47:48 PM for reas...	Cheryl Dyal
03/12/2007	ON - Original Name	Original name of the Licensee: LAND TITLE COMPA...	Migration Migration

Link Payment

Val. #	Val. Date	Val. Amount	Dist. Amount	Division	Payment Mode		
107097	05/01/2008	100.00	0.00	Licensing	Check		
111151	05/19/2008	50.00	0.00	Licensing	Check		
283260	05/27/2010	200.00	0.00	Licensing	Check		

EXHIBIT 4 PAGE 6

Print

LICENSE DETAILS

License Information

License Type: Status: Cancel Date:

Effective Date: Expiry Date: Formed Date:

Designated Responsible Person-WAOC#:

Show Pending

Full Lines

Lines	Effective Date	Cancel Date
<input type="text" value="Title"/>	<input type="text" value="10/14/1968"/>	<input type="text" value=""/>

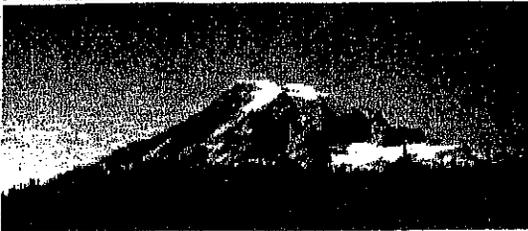
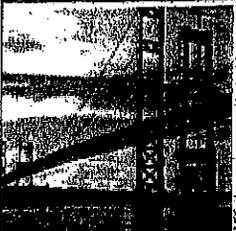
Appointment List

Company Name	Company #	Appointment Date	Appointment Type	Expiry Date	Lines	Cancel Date
CHICAGO TITLE INSURANCE COMPANY	258	08/05/1993	Regular Appointment	03/18/2013	Lines	
OLD REPUBLIC NATIONAL TITLE INSU...	1295	10/22/2008	Regular Appointment	03/30/2013	Lines	
SECURITY UNION TITLE INSURANCE C...	1187	10/14/1968	Regular Appointment	01/01/1994	Lines	01/01/1994

Guarantee Information

Company #	Guarantee Amount	Effective Date	Cancel Date
258	200000.00	08/24/2005	
1295	200000.00	07/21/2009	

EXHIBIT 4 PAGE 7



100% Locally Owned and Operated
We provide high-quality title insurance,
property information, and escrow services in
King, Pierce, and Snohomish Counties

- Home
- Orders
- Industry Tools
- Client Tools
- About
- Rates
- Short Sale
- First Time Home Buyer

Site Search

Welcome to Rainier Title

- Place Orders**
- Order Title & Escrow
- Order Customer Service
- Order Supplemental
- Access Existing Orders

We protect your rights of ownership by providing the highest quality title insurance, property information and escrow services in King, Pierce & Snohomish Counties.

We are well known in the local Real Estate Community and understand local customs and procedures. You can depend on Rainier Title to provide you with consistent, accurate and timely service for all of your title and escrow needs.

[Place Your Orders Online...](#)

Personalized Support
Our employees are trained to offer friendly, personalized support for you and your customers.

Superior Service
Our various products are delivered from centralized locations, enabling us to provide you with consistently superior service.

- [RAINIER TITLE HOMEPAGE](#)
- [ONLINE ORDERS](#)
- [INDUSTRY TOOLS](#)
- [USEFUL RESOURCES](#)
- [ABOUT RAINIER TITLE](#)
- [RATE SHEETS](#)
- [SHORT SALE](#)
- [FIRST TIME HOME BUYER](#)

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[View our Privacy Policy](#)





Short Sales

Choose a professional team to handle the details for a successful and timely closing!

Rainier Title is honored to be selected as the preferred provider of Title and Escrow Services by Nest Financial, a premier provider of Loan Modification and Short Sale Solutions.

What are the facts?

- Real Estate Agents DO receive commissions on short sales.
- While Short Sales can be difficult, the reality is that much of our current inventory of properties is distressed in one way or another.
- A Foreclosure is far more damaging to a homeowner's credit than a Short Sale. A homeowner who successfully negotiates and closes a Short Sale will be eligible for a Fannie Mae backed mortgage after only 2 years.
- In a properly managed Short Sale, the home is sold at a price that should be close to market value, and in most cases, that reduces or eliminates the bank's right to a deficiency from the borrower.
- Banks prefer Short Sales to Foreclosure as they help mitigate their losses.
- It takes a professional team to successfully close a short sale. The professional skills and experience of a listing agent, an outside negotiator, and an escrow company, each knowing the right steps and how to coordinate with each other and with the seller, are needed to turn your listing into a closed sale.

How can we help?

- Nest has expertise in the banking & mortgage industry, with proven success in securing Loan Modifications & Short Sales for their clients. They are licensed mortgage brokers.
- Nest will do everything possible to protect Real Estate Agent commissions. Their processing fee can either be paid by the bank, the listing agent, or shared.
- Nest will do all the required paperwork and manage all package submittals for the agent and the seller, keeping everyone informed along the way.
- Nest will use its skills and experience throughout the process to negotiate on behalf of the homeowner to get a waiver of the deficiency by the bank.
- To Get Started: [Click Here](#)



W3C
7-20-10

HOME WHAT WE DO LOAN MODIFICATIONS SHORT SALES CONTACT US



Top 5 Reasons to Turn to Nest

Nest helps distressed homeowners secure short sales and avoid foreclosure. We're committed to providing resources to help distressed homeowners like you make a clean break so you can restart your financial future. With Nest on your side, the process will run as smoothly as possible and all important issues will be addressed. Five things that you should consider in the short sales process are:

SHORT SALES

[Successful Short Sales with Nest Top 5 Reasons to Turn to Nest for Short Sales](#)



- 1. Industry Expertise** – You can take comfort in the knowledge that you are in expert hands. We are adept at negotiating with banks on behalf of sellers. We know that banks are not in the business of owning real estate. They will look seriously at an offer from a qualified buyer. Banks are motivated to take a short sale over the financial risks and uncertainties of the foreclosure and re-sale process.
- 2. Delay Legal Proceedings** – Timing is everything for avoiding foreclosure. Nest can often help postpone foreclosure proceedings by working aggressively with the bank as we submit a short sale package. We have the experience to clear the hidden roadblocks and gotchas. A qualified offer in hand can provide the leverage to delay legal proceedings while the bank considers accepting the short sale.
- 3. Speed to Sale** – Time is not your friend if you have already reached the NOD or NTS stage of a foreclosure. By submitting a complete and compelling package, including a qualified offer, Nest speeds the approval and closing process.
- 4. No Obligation** – There is no obligation to you: no up-front fees, and no cancellation fee. Our fee is negotiated between Nest, the bank, and the realtors. We are motivated to deliver because we are paid only after successful completion of the short sale.
- 5. Peace of Mind** – One of the most crucial outcomes of a successful short sale is securing complete forgiveness of the mortgage debt. We make every effort to ensure that the bank has no claims on the unpaid balance following the sale. You will be able to move forward with your life, without a black mark of a foreclosure on your reputation and free from the burden of the mortgage debt.

Nest helps distressed homeowners secure short sales and avoid foreclosure. [Talk to a short sale expert at Nest today.](#)

phone (425) 883-3022 | toll free (866) 970-NEST (6378) | fax (425) 883-3044
Washington Mortgage Broker's License # MB-148026
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EXHIBIT 5 PAGE 13
Mog

HOME

WHAT WE DO

LOAN MODIFICATIONS

SHORT SALES

CONTACT US



Contact Us

Nest Financial is here to help you protect your nest – and your nest egg.

Two Ways to Get Started Now

1. Call us: (866) 970-NEST (6378)
2. Fill out this simple [Get Started form](#) and a Nest representative will contact you for your initial consultation

If you prefer to speak to a Nest Financial Representative directly, please call us toll-free at:

(866) 970-NEST (6378)

(425) 883-3022

(425) 883-3044 fax

Monday – Friday 9am – 6pm

Pacific Standard Time

Nest Financial Office Location:

16655 Redmond Way

Redmond, WA 98052

phone (425) 883-3022 | toll free (866) 970-NEST (6378) | fax (425) 883-3044
Washington Mortgage Broker's License # MB-148026
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EXHIBIT 5 PAGE 4

GET STARTED

We encourage you to get started now. Complete this form for a no-cost evaluation. You may return it to us by fax or e-mail, or just give us a call. A Nest Financial representative will be in touch with you within 24 hours.
Fax: 425-883-3044 | **E-mail:** GetStarted@NestFinancial.com | **Call toll-free:** 866-970-NEST (6378)

PERSONAL INFORMATION

Applicant

Co-applicant

First Name _____

Last Name _____

Please check your preferred method of contact:

Home Phone () -

Mobile Phone () -

E-mail Address _____

PROPERTY INFORMATION

Property Address _____

City _____

State _____

Zip _____

Estimated Value _____

Is this your primary residence? Yes No

First Mortgage

Second Mortgage

Lender Name _____

Loan Balance _____

Monthly Payment _____

Interest Rate _____

Loan Start Date _____

Annual Taxes _____

Included in monthly payment

Annual Insurance _____

Included in monthly payment

Mortgage Type

3/1 ARM 5/1 ARM 7/1 ARM
 Fixed Option ARM Other

Fixed HELOC

Are You Behind?

Current 30 Days 60 Days
 90 Days 120+ Days In foreclosure

Current 30 Days 60 Days
 90 Days 120+ Days In foreclosure

nest Financial
HOMEOWNER SOLUTIONS

EXHIBIT 5

PAGE 5

WA MORTGAGE BROKER LICENSE # 510-MB-51384

WA 1/10/10

INCOME INFORMATION

Applicant

Co-applicant

Monthly Net
W-2 Wages

Monthly Gross
1099 Income

Other Verifiable
Income*

Please describe:

Please describe:

GENERAL INFORMATION

What are your
immediate goals?

Stop foreclosure

Modify my mortgage

Walk away from my home

What are your
long-term goals?

Sell home

Stay in home

Not sure

Please describe your hardship situation, i.e., job loss, illness, increased loan payments, etc.

Is there anything else you would like to tell us?

Fax: 425-883-3044 | E-mail: GetStarted@NestFinancial.com | Call toll-free: 866-970-NEST (6378)

Submit

nest Financial
HOMEOWNER SOLUTIONS

EXHIBIT 5 **PAGE** 6

WA MORTGAGE BROKER LICENSE # 510-MB-51384



OFFICE OF
INSURANCE COMMISSIONER

November 12, 2010

Derek A. Matthews, Chief Region Counsel
Stewart Title Guaranty Company
1420 5th Ave., Ste. 500
Seattle, WA 98101-2374

RE: Stewart Title Guaranty Company
Proposed Consent Order No. 10-0158

Dear Mr. Matthews:

Enclosed are two originals of Washington State Office of Insurance Commissioner's Consent Order Imposing a Fine. This Order will result in your Company being required to pay a fine in lieu of other action relative to its Certificates of Authority.

Please sign and return both of the original Orders by December 13, 2010. Upon receipt, the Orders will be signed by me, entered with our office, and one of the executed originals will be returned to you for your records. You will then have 30 days in which to pay the fine. If you wish to include payment with the Orders, please make your check payable to the Office of the Insurance Commissioner and mail to Delia Zebroski, Fiscal Analyst, Operations Division, PO Box 40255, Olympia, Washington 98504-0255 or deliver to 5000 Capitol Blvd., Tumwater, WA 98501:

Should you have any questions regarding this matter, please feel free to contact me at (360) 725-7048.

Sincerely,

A handwritten signature in cursive script that reads "Marcia G. Stickler".

Marcia G. Stickler, Staff Attorney
Legal Affairs Division

Enclosures

EXHIBIT

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PAGE

1



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	No.10-0158
)	
STEWART TITLE GUARANTY)	CONSENT ORDER
COMPANY,)	IMPOSING A FINE
)	
An Authorized Insurer.)	
_____)	

COMES NOW the Insurance Commissioner of the State of Washington, pursuant to the authority provided in RCW 48.01.020 and RCW 48.05.185, and having reviewed the official records and files of the Office of the Insurance Commissioner ("OIC"), makes the following:

FINDINGS OF FACT:

1. Rainier Title, LLC ("Rainier Title") is licensed by the OIC and appointed as a title insurance agent by Stewart Title Guaranty Company ("Stewart Title" or "the Company"), an authorized title insurer, to sell, solicit and negotiate insurance on Stewart Title Guaranty Company's behalf in Washington State. Stewart Title and Rainier Title are therefore subject to Title 48 RCW and Chapter 284 WAC.
2. Between on or about March 20, 2009 and July 20, 2010, Rainier Title advertised on its website, www.rainiertitle.com, with and on behalf of Nest Financial, LLC, a mortgage broker. Nest Financial, LLC is a producer of title insurance business as defined in RCW 48.29.010(3)(e).

CONCLUSIONS OF LAW:

1. By its appointed agent Rainier Title advertising with or on behalf of a producer of title insurance business, Stewart Title committed one violation of WAC 284-29-215(2).
2. RCW 48.05.185 authorizes the Insurance Commissioner to impose a fine of up to \$10,000 (Ten Thousand Dollars) on an insurer for violation of any insurance regulation, in lieu of or in addition to the suspension or revocation of its Certificate of Authority.



CONSENT TO ORDER:

Stewart Title, acknowledging its duty to comply fully with the applicable laws of the State of Washington, consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter in consideration of the Company's payment of a fine and upon such terms and conditions as are set forth below.

Stewart Title consents to the entry of this Order for settlement purposes only, and the fact of, and any provision, finding, or conclusion contained herein does not constitute and shall not be construed to constitute, or be admissible in evidence as any admission of liability by Stewart Title. Stewart Title waives any and all hearing rights and further administrative or judicial challenges to this Order.

Within thirty days of the entry of this Order, Stewart Title agrees to pay to the Office of the Insurance Commissioner a fine in the amount of \$2,500 (Two Thousand Five Hundred Dollars); and

Failure to pay the fine set forth in paragraph two shall constitute grounds for the revocation of Stewart Title's Certificate of Authority, and in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General.

Executed this _____ day of _____, 2011.

STEWART TITLE GUARANTY COMPANY

By: _____

Printed Name: _____

Corporate Title: _____

ORDER:

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

1. Stewart Title Guaranty Company is ordered to pay a fine in the amount of \$2,500 (Two Thousand Five Hundred Dollars).

2. Stewart Title Guaranty Company's failure to pay the fine within the time limit set forth above shall constitute grounds for revocation of the Company's Certificate of Authority, and in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General.

Executed this _____ day of _____, 2010.

MIKE KREIDLER
Insurance Commissioner

By: _____
Marcia G. Stickler
Staff Attorney
Legal Affairs Division



OFFICE OF
INSURANCE COMMISSIONER

November 12, 2010

Dwight Bickel, Corporate Counsel
Rainier Title
3400 188th Street SW, Ste. 190
Lynwood, WA 98037

RE: Rainier Title
Proposed Consent Order No. 10-0157

Dear Mr. Bickel:

Enclosed are two originals of Washington State Office of Insurance Commissioner's Consent Order Imposing a Fine. This Order will result in your Company being required to pay a fine in lieu of other action relative to its title insurance agent's license.

Please sign and return both of the original Orders by December 13, 2010. Upon receipt, the Orders will be signed by me, entered with our office, and one of the executed originals will be returned to you for your records. You will then have 30 days in which to pay the fine. If you wish to include payment with the Orders, please make your check payable to the Office of the Insurance Commissioner and mail to Delia Zebroski, Fiscal Analyst, Operations Division, PO Box 40255, Olympia, Washington 98504-0255 or deliver to 5000 Capitol Blvd., Tumwater, WA 98501.

Should you have any questions regarding this matter, please feel free to contact me at (360) 725-7048.

Sincerely,

A handwritten signature in black ink, appearing to read "Marcia G. Stickler".

Marcia G. Stickler, Staff Attorney
Legal Affairs Division

Enclosures

EXHIBIT 6 PAGE 5

STATE OF WASHINGTON

Phone: (360) 725-7000
www.insurance.wa.gov

MIKE KREIDLER
STATE INSURANCE COMMISSIONER



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)

No. 10-0157

RAINIER TITLE, LLC,)

**CONSENT ORDER
IMPOSING A FINE**

A Licensed Title Insurance Agent)
_____)

COMES NOW the Insurance Commissioner of the State of Washington, pursuant to the authority provided in RCW 48.01.020 and RCW 48.17.260, and having reviewed the official records and files of the Office of the Insurance Commissioner ("OIC"), makes the following:

FINDINGS OF FACT:

1. Rainier Title, LLC ("Rainier Title" or the "Company") is licensed by the OIC and appointed by Stewart Title Guaranty Company, an authorized title insurer, to sell, solicit and negotiate insurance on Stewart Title Guaranty Company's behalf in Washington State. Rainier Title is therefore subject to Title 48 RCW and Chapter 284 WAC.
2. Between on or about March 20, 2009 and July 20, 2010, Rainier Title advertised on its website, www.rainiertitle.com, with and on behalf of Nest Financial, LLC, a mortgage broker. Nest Financial, LLC is a producer of title insurance business as defined in RCW 48.29.010(3)(e).

CONCLUSIONS OF LAW:

1. By advertising with or on behalf of a producer of title insurance business, Rainier Title committed one violation of WAC 284-29-215(2).
2. RCW 48.17.260 authorizes the Insurance Commissioner to impose a fine of up to \$1,000 (One Thousand Dollars) per violation for violation of any insurance rule, in lieu of or in addition to the suspension or revocation of a title insurance agent's license.

EXHIBIT 6 PAGE 6



CONSENT TO ORDER:

Rainier Title, acknowledging its duty to comply fully with the applicable laws of the State of Washington, consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter in consideration of the Company's payment of a fine and upon such terms and conditions as are set forth below.

1. Rainier Title consents to the foregoing Findings of Fact and Conclusions of Law as they pertain to these facts, consents to the entry of the Order and waives further administrative or judicial challenge to the OIC's actions related to the subject matter of the Order;
2. Within thirty days of the entry of this Order, Rainier Title agrees to pay to the Office of the Insurance Commissioner a fine in the amount of \$500.00 (Five Hundred Dollars).
3. Rainier Title agrees to provide, if any, only those free, downloadable forms on its website that are in compliance with WAC 284-29-260(6)(j).
4. Failure to pay the fine set forth in paragraph two shall constitute grounds for the revocation of Rainier Title's license, and in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General.

Executed this _____ day of _____, 2010.

RAINIER TITLE, LLC

By: _____

Printed Name: _____

Corporate Title: _____

ORDER:

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

1. Rainier Title, LLC is ordered to pay a fine in the amount of \$500.00 (Five Hundred Dollars).

2. Rainier Title is ordered to provide, if any, only those free, downloadable forms on its website that are in compliance with WAC 284-29-260(6)(j).
3. Rainier Title, LLC's failure to provide, if any, only those free, downloadable forms that are in compliance with WAC 284-29-260(6)(j) and to pay the fine within the time limit set forth above shall constitute grounds for revocation of the Company's license, and in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General.

Executed this _____ day of _____, 2010.

MIKE KREIDLER
Insurance Commissioner

By: _____
Marcia G. Stickler
Staff Attorney
Legal Affairs Division



OFFICE OF
INSURANCE COMMISSIONER

000334642 12/14/10 500.00 ✓

In the Matter of

RAINIER TITLE, LLC,

A Licensed Title Insurance Agent

No. 10-0157

**CONSENT ORDER
IMPOSING A FINE**

COMES NOW the Insurance Commissioner of the State of Washington, pursuant to the authority provided in RCW 48.01.020 and RCW 48.17.260, and having reviewed the official records and files of the Office of the Insurance Commissioner ("OIC"), makes the following:

FINDINGS OF FACT:

1. Rainier Title, LLC ("Rainier Title" or the "Company") is licensed by the OIC and appointed by Stewart Title Guaranty Company, an authorized title insurer, to sell, solicit and negotiate insurance on Stewart Title Guaranty Company's behalf in Washington State. Rainier Title is therefore subject to Title 48 RCW and Chapter 284 WAC.
2. Between on or about March 20, 2009 and July 20, 2010, Rainier Title advertised on its website, www.rainiertitle.com, with and on behalf of Nest Financial, LLC, a mortgage broker. Nest Financial, LLC is a producer of title insurance business as defined in RCW 48.29.010(3)(c).

CONCLUSIONS OF LAW:

1. By advertising with or on behalf of a producer of title insurance business, Rainier Title committed one violation of WAC 284-29-215(2).
2. RCW 48.17.260 authorizes the Insurance Commissioner to impose a fine of up to \$1,000 (One Thousand Dollars) per violation for violation of any insurance rule, in lieu of or in addition to the suspension or revocation of a title insurance agent's license.

CONSENT TO ORDER:

Rainier Title, acknowledging its duty to comply fully with the applicable laws of the State of Washington, consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter in consideration of the Company's payment of a fine and upon such terms and conditions as are set forth below.

1. Rainier Title consents to the foregoing Findings of Fact and Conclusions of Law as they pertain to these facts, consents to the entry of the Order and waives further administrative or judicial challenge to the OIC's actions related to the subject matter of the Order;
2. Within thirty days of the entry of this Order, Rainier Title agrees to pay to the Office of the Insurance Commissioner a fine in the amount of \$500.00 (Five Hundred Dollars).
3. Rainier Title agrees to provide, if any, only those free, downloadable forms on its website that are in compliance with WAC 284-29-260(6)(j).
4. Failure to pay the fine set forth in paragraph two shall constitute grounds for the revocation of Rainier Title's license, and in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General.

Executed this 13TH day of DECEMBER, 2010.

RAINIER TITLE, LLC

By: 

Printed Name: CHARLES W. TRAUTMAN

Corporate Title: GENERAL MANAGER

ORDER:

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

1. Rainier Title, LLC is ordered to pay a fine in the amount of \$500.00 (Five Hundred Dollars).

Consent Order Levying a Fine Against
Rainier Title, LLC
Page 2 of 3

EXHIBIT 7

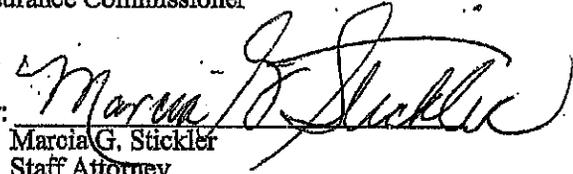
PAGE 2

2. Rainier Title is ordered to provide, if any, only those free, downloadable forms on its website that are in compliance with WAC 284-29-260(6)(j).
3. Rainier Title, LLC's failure to provide, if any, only those free, downloadable forms that are in compliance with WAC 284-29-260(6)(j) and to pay the fine within the time limit set forth above shall constitute grounds for revocation of the Company's license, and in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General.

Executed this 14th day of December, 2010.

MIKE KREIDLER
Insurance Commissioner

By:



Marcia G. Stickler
Staff Attorney
Legal Affairs Division