



FILED

OFFICE OF
INSURANCE COMMISSIONER

2013 MAY -6 A 10:55

IN THE MATTER OF

) NO. 13-0021

Heardings Unit, DIC
Patricia D. Peterson
Chief Hearing Officer

) STIPULATION AND AGREED

) ORDER DISMISSING ADJUDICATIVE

FIRST AMERICAN TITLE
INSURANCE COMPANY,

) PROCEEDINGS

)

)

)

An Authorized Insurer.

)

STIPULATION

Pursuant to RCW 34.05.060 and WAC 10.08.230(2)(b), the Office of Insurance Commissioner ("OIC"), by and through its designated representative, Marcia Stickler, and First American Title Insurance Company ("FATIC" or "the Company"), by and through its undersigned representatives and its counsel, Jerry Kindinger, hereby stipulate and agree to resolve this matter as follows:

1. FATIC is a title insurer authorized to do business in the State of Washington.

2. On fifty-three (53) occasions in 2011 and on forty-five (45) occasions in 2012, FATIC gave three hour Department of Licensing-approved clock hour class #C7643, titled "Distressed Properties: Title & Escrow Issues" to hundreds of licensed producers of title insurance business without charging the licensees a fee. The OIC believes that the class provided education beyond solely the topics of title insurance, escrow, and title to real property and therefore should not have been provided to producers without charge. The Company disagrees.

3. On October 3, 2011, FATIC gave the same three credit clock hour class at the Seattle-King County Association of Realtors, a trade association. The classroom seated sixty-two (62) students and was billed as being "sold out." The class was given without charge, and the OIC believes that the estimated benefit conferred on the trade association and attendees, presuming even a below market rate of \$30 per student, was \$1,860. The Company disagrees. In addition, FATIC made a donation to the trade association of \$500.00 in cash and \$179.70 for snacks and beverages.

4. On fifty-six (56) occasions in 2011, and on sixteen (16) occasions in 2012, FATIC gave three hour Department of Licensing-approved clock hour class #C7052

titled "Foreclosures and Title to Real Property" to hundreds of licensed producers of title insurance business without charging the licensees a fee. The OIC believes that the class provided education beyond solely the topics of title insurance, escrow, and title to real property and therefore should not have been provided to producers without charge. The Company disagrees.

5. On or about January 18, 2013, the OIC offered FATIC Consent Order No. 13-0021 to settle the matter, imposing a fine upon FATIC for violations of WAC 284-29-235 and WAC 284-29-220. When FATIC declined to agree to the Consent Order, the OIC issued a Notice of Hearing on or about March 14, 2013. The hearing is scheduled for July 8, 2013. The OIC believes that the clock hour classes given to producers of title insurance business without charge violated WAC 284-29-235. The OIC further believes that the benefit FATIC conferred upon the trade association on October 3, 2012 violated WAC 284-29-220. The Company disagrees.

6. In order to fully resolve the pending proceeding between the OIC and FATIC without further administrative or judicial proceedings, and in order to avoid the costs and uncertainties of litigation, the parties agree to fully settle this matter as follows:

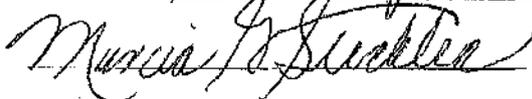
6a. FATIC agrees to pay \$25,000 within thirty days of the date of the entry of the subjoined Order.

6b. The parties agree that this Stipulation and Agreed Order are intended to fully resolve all issues regarding FATIC related to the OIC's Notice of Hearing and arising under the Washington insurance code statutes and regulations governing educational seminars and trade association events put on by title insurance companies as of the date of entry of the Order.

6c. This Stipulation is for settlement purposes only, and the fact of, and any provision, finding, or conclusion contained in this Stipulation or the subjoined Order, and any action taken hereunder does not constitute and shall not be construed to constitute, or be admissible in evidence as, any admission of liability by FATIC.

The parties agree that the subjoined Order may be entered forthwith and without further notice.

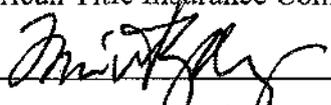
Dated this 16th day of April, 2013.



Marcia G. Stickler

Dated this 25th day of APRIL, 2013.

First American Title Insurance Company

By: 

Title: SVP, Deputy General Counsel

ORDER

This matter having come on before the undersigned Chief Hearing Officer of the State of Washington Office of Insurance Commissioner pursuant to the foregoing Stipulation and the Chief Hearing Officer having reviewed said Stipulation and deeming herself fully advised in the premises, NOW THEREFORE,

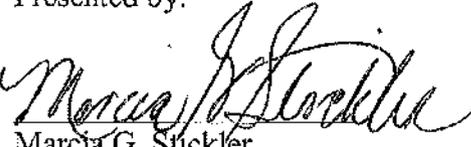
IT IS HEREBY ORDERED as follows:

1. First American Title Insurance Company is ordered to pay \$25,000 within thirty days of the date of the entry of this Order.
2. OIC Docket Number 13-0021 is hereby closed and dismissed as settled.

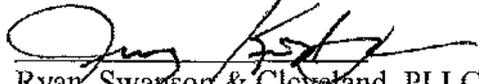
SIGNED AND ENTERED this 6th day of May, 2013


PATRICIA D. PETERSEN
Chief Hearing Officer
Office of Insurance Commissioner

Presented by:


Marcia G. Stickler
OIC Staff Attorney

Approved for Entry/Notice
of Presentation Waived:


Ryan, Swanson & Cleveland, PLLC
Jerry Kindinger
Attorneys for First American Title
Insurance Company