

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

FILED

In the Matter of the Form A Application)
for the Proposed Acquisition of Control)
of:)
)
MASON COUNTY TITLE)
INSURANCE COMPANY,)
a Washington domestic insurer,)
)
by)
)
RETITLE HOLDING COMPANY, LLC,)
an Idaho limited liability company.)
_____)

Docket No. 15-0021

2015 MAR -5 P 12: 34

NOTICE OF HEARING ON THE
PROPOSED ACQUISITION OF
MASON COUNTY TITLE INSURANCE
COMPANY BY RETITLE HOLDING
COMPANY LLC

TO: James J. Dufficy, Managing Member
REtitle Holding Company LLC
2900 Bristol Street, Suite G-203
Costa Mesa, CA 92626

David C. Bayley, CEO
Mason County Title Insurance Company
P.O. Box 4157
Olympia, WA 98501

AND TO: Mike Kreidler, Insurance Commissioner
James T. Odiorne, J.D., CPA, Chief Deputy Insurance Commissioner
AnnaLisa Gellermann, Deputy Commissioner, Legal Affairs Division
Darryl Colman, Insurance Enforcement Specialist, Legal Affairs Division
William R. Michels, Deputy Commissioner, Company Supervision
Ronald Pastuch, Holding Company Manager, Company Supervision
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

This Notice is provided pursuant to RCW 48.04.010 and RCW 34.05.434.

1. On September 11, 2014, the Office of the Washington State Insurance Commissioner ("OIC") received a Statement regarding the Acquisition of Control of a Domestic Insurer (Form A) of Mason County Title Insurance Company ("MCTIC") by RETitle Holding Company LLC ("Applicant" or "RETITLE"), requesting the OIC's approval of the proposed acquisition of control. Documents filed with the Application; questions from the Commissioner and responsive documents filed by RETITLE; communications from the undersigned to RETITLE and the Commissioner;

documents and information filed in response to requests from the undersigned relative to this matter; and documents entered by the undersigned in this matter are published on the OIC website at: <http://www.insurance.wa.gov/laws-rules/administrative-hearings/judicial-proceedings/m-o/>.

2. The birthdates, places of birth, social security numbers, home addresses, email addresses, telephone number, and spouses' names contained in the biographical affidavits submitted with the Form A application shall be redacted before the affidavits submitted in connection with the application are filed in the public record and posted on the OIC website. The personal financial statements of the three managing members of the applicant shall not be filed in the public record or posted, but shall be retained by the OIC. I do not find that such sensitive personal information is relevant to the merits of the application or of public significance. Other information in the biographical affidavits, including court proceedings, which are quintessential public documents, will not be redacted before filing and posting.

3. REtitle's Plan of Operation and pro forma financial forecast included with its October 3, 2015, response to OIC's September 26, 2014, request for additional information are of potential significance to consideration of the application and have not been demonstrated to be actuarial formulas, statistics or assumptions submitted to the commissioner at his request entitled to be withheld from public inspection to preserve trade secrets or prevent unfair competition, or otherwise protected. *See*, RCW 48.02.120(3); RCW 42.56.270(11).

4. This ruling as to filing and posting is without prejudice to de novo consideration of the facts and law if a Public Record Act request for information covered by this Order is presented.

5. MCTIC is a Washington-domiciled title insurer wholly owned by David Bayley, which has been in existence since 1912 and holds a Certificate of Authority, issued by the OIC in 1958, to transact title insurance business.

6. REtitle is an Idaho limited liability company formed on June 11, 2014, for the purpose of acquiring MCTIC. The Form A states that it currently intends no business operations other than holding the capital stock of MCTIC.

7. The Application states that REtitle is seeking approval to acquire 100% of the issued and outstanding stock of MCTIC in an all-cash transaction. REtitle intends to apply for a Certificate of Authority to issue title insurance in the State of California and ultimately to make California MCTIC's domicile.

8. On February 13, 2015, following review of the documents filed by REtitle, communications with REtitle, and requests for and receipt of additional required information, the Commissioner referred the Application to the undersigned Presiding Officer with the request that it be reviewed, an adjudicative proceeding be held, and a final decision be entered approving or denying the proposed acquisition of control.

9. On March 4, 2015, a telephonic Prehearing Conference was held. James J. Dufficy, Managing Member, appeared on behalf of REtitle. David C. Bayley, CEO, and Nancy Bayley, Assistant Treasurer, appeared on behalf of MCTIC. The Office of the Insurance Commissioner ("OIC") was represented by Darryl Colman, Esq., Insurance Enforcement Specialist. Ronald Pastuch, CPA,

Holding Company Manager, OIC Company Supervision Division, William R. Michels, Deputy Commissioner for Company Supervision, and Shilo Strickland, Assistant Financial Analyst, OIC Company Supervision, also participated.

10. The hearing was scheduled for March 31, 2015, beginning at 1:00 PM., Pacific Time. The purpose of the hearing is to consider REtitle's request for approval of its proposed acquisition of MCTIC, under RCW 48.31B.015. The hearing will be held pursuant to Title 48 RCW, specifically RCW 48.04, Title 34 RCW, and applicable regulations, which may include the Model Rules of Procedure, Chapter 10-08 WAC.

11. Both the duly authorized representatives of REtitle and the OIC shall file written testimony at least five business days prior to the date of the hearing. Such pre-filed testimony will be published on the Insurance Commissioner's website.

12. At least one authorized representative of REtitle and one authorized representative of MCTIC (officers, directors, or in-house counsel are acceptable) shall testify as to the criteria set forth in 48.31B.015(4), which provides that the Insurance Commissioner shall approve an acquisition of a domestic insurer unless, after a public hearing thereon, it is found: 1) that after the change of control, the domestic carrier would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed; 2) the effect of the acquisition or merger may substantially lessen competition or tend to create a monopoly in insurance in this state; 3) the financial condition of an acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders; 4) the plans or proposals that the acquiring party has to liquidate the insurer, sell its assets, consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to the policyholders of the insurer and not in the public interest; 5) the competence, experience, and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or 6) the acquisition is likely to be hazardous or prejudicial to the insurance-buying public. Authorized representatives of REtitle and MCTIC shall also testify as to whether REtitle or MCTIC or any employees, officers or directors, or other affiliates have received comments, complaints or concerns concerning this proposed acquisition of control, and the nature and source.

13. Testimony from the OIC is expected as to the above issues 1) – 6) and as to whether the OIC or staff has received any comments, complaints or concerns concerning the proposed acquisition of control, and the nature and source of this input.

14. The parties may examine witnesses and fully respond and present evidence and argument on all issues.

15. A party failing to attend or participate in any stage of the proceeding may be held in default. RCW 34.05.434(2)(i).

16. If a limited English speaking or hearing impaired or speech impaired party or witness needs an interpreter, a qualified interpreter will be appointed at no cost to the party or witness, except as may

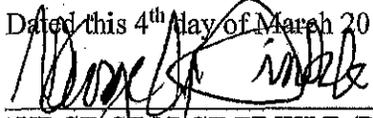
be provided by Chapter 2.42 RCW. WAC 10-08-040(2); Chapter 2.42 RCW, A Request for Interpreter form, with instructions, is attached to the original of this Notice.

17. All case related documents and correspondence shall be directed to the Hearings Unit, Office of the Insurance Commissioner, P.O. Box 40255, Olympia, Washington 98504-0255. All interested individuals and entities who have questions or concerns concerning this proceeding should direct them to the Hearings Unit paralegal, Kelly A. Cairns, at the same postal address, or to fax number (360) 664-2782 or email KellyC@oic.wa.gov. Ms. Cairns' telephone number is (360) 725-7002.

18. **This is a public proceeding. Interested persons may attend the hearing without prior approval or may listen to the hearing by telephone by dialing (877) 668-4493, followed by access code 231 993 38. Interested persons may submit comments on, or objections to, this proposed acquisition of control to the undersigned, which will be included in the hearing record and will be considered prior to the final decision in this matter. Such comments and/or objections must be submitted by 12:30 p.m. Pacific Time March 31, 2015, by fax, U.S. Mail, personal delivery, or email. The fax number is (360) 664-2782; U.S. Mail address is PO Box 40255, Olympia, WA 98504-0255; personal delivery address is 5000 Capitol Boulevard, Tumwater, Washington 98501; and email address is that of Hearings Unit Paralegal, Kelly A. Cairns, which is KellyC@oic.wa.gov.**

NOW, THEREFORE, IT IS HEREBY ORDERED: The adjudicative proceeding in this matter will begin on **March 31, 2015 at 1 PM.**, Pacific Time, in the Office of the Insurance Commissioner, 5000 Capitol Boulevard, Tumwater, Washington 98501.

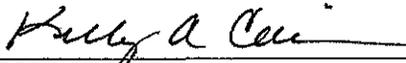
Dated this 4th day of March 2015.


JUDGE GEORGE FINKLE (RET.)
Presiding Officer

Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery through normal office mailing custom, a true copy of this document to the following people at their addresses listed above: James J. Duffey, David C. Bayley, Mike Kreidler, James T. Odiorne, JD, CPA, AnnaLisa Gellermann, Darryl Colman, Ronald Pastuch and William R. Michels.

DATED this 5th day of March 2015.


KELLY A. CAIRNS

OFFICE OF INSURANCE COMMISSIONER
HEARINGS UNIT
Fax: (360) 664-2782

To request an interpreter, complete and mail this form to:

Presiding Officer
Hearings Unit
Office of Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

REQUEST FOR INTERPRETER

I am a party or witness in Matter No. 15-0021 before the Insurance Commissioner. I NEED AN INTERPRETER and request that one be furnished.

Please check the statements that apply to you:

I am a non-English-speaking person. I cannot readily speak or understand the English language. My primary language is _____ (insert your primary language). I need an interpreter who can translate to and from the primary language and English.

I am unable to readily understand or communicate the spoken English language because:

- I am deaf.
- I have an impairment of hearing.
- I have an impairment of speech.

[Please state below or on the reverse side any details which would assist the Commissioner or Presiding Officer in arranging for a suitable interpreter or in providing appropriate mechanical or electronic amplification, viewing, or communication equipment.]

Date: _____ Signed: _____

Please print or type your name: _____

Address: _____

Telephone: _____