

BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

FILED

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HEARINGS UNIT
OFFICE OF
INSURANCE COMMISSIONER

In the Matter of the Form A Application
For the Proposed Acquisition of Control
of:

RETITLE INSURANCE COMPANY
f/k/a MASON COUNTY TITLE
INSURANCE COMPANY,

A Washington domestic insurer,

by

RETITLE HOLDING COMPANY,
LLC,

An Idaho limited liability company.

No. 15-0021

ORDER VACATING FINAL
ORDER ON APPLICATION FOR
PROPOSED ACQUISITION OF
CONTROL

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

David C. Bayley, CEO
REtitle Insurance Company, f/k/a Mason County Title Insurance Company
PO Box 278
Shelton, WA 98584

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

The Insurance Commissioner of the state of Washington filed a Motion to Vacate the Final Order on Application for Proposed Acquisition of Control, No. 15-0021, under the above docket number. The Insurance Commissioner's presiding officer, the undersigned, who has been delegated the authority to hear this matter, and pursuant to the authority set forth in RCW 48.02.060, RCW 48.31B.015, and Order No. 15-0021, and having reviewed the Motion, its accompanying documents, as well as the official records and files of the Office of the Insurance Commissioner, finds as follows:

BASIS FOR ORDER

1. *REtitle* Insurance Company, formally known as Mason County Title Insurance Company ("the Company"), is a Washington-domiciled title insurer. The Company, wholly owned by David C. Bayley, has been in existence since 1912 and holds a Certificate of Authority, issued by the Insurance Commissioner in 1958, to transact title insurance business.

2. *REtitle* Holding Company, LLC ("*REtitle*") is an Idaho limited liability company formed on June 11, 2014, for the purpose of acquiring the Company. *REtitle* filed a Statement regarding the Acquisition of Control of a Domestic Insurer (Form A) of the Company on September 11, 2014.

3. On March 31, 2015, the Insurance Commissioner held a hearing regarding the proposed acquisition of control before Judge George Finkle (Ret.), who was delegated the responsibility to act as Presiding Officer in this matter.

4. On April 2, 2015, the Presiding Officer entered a Final Order on Application for Proposed Acquisition of Control, No. 15-0021, approving the acquisition of control of the Company which was subject to conditions stated in the Order. Namely, the Order provides that the closing on the acquisition of the Company by the Applicant shall not occur unless and until the certificate of authority is issued to the Company by the Insurance Commissioner of the State of California.

5. Further, the Company and *REtitle* were to submit the Company's application for admission to California within 30 days after the date of entry of the Order.

6. The Order also provides that if California does not license the Company or if *REtitle* abandons its proposed acquisition of the Company as a consequence of the inability to obtain a certificate of authority from California, then the administrative supervision of the Company may be extended upon the finding and notice under RCW 48.31.400.

7. REtitle was unable to obtain a certificate of authority from California and has subsequently abandoned its proposed acquisition of the Company.

8. REtitle has not satisfied the conditions stipulated in Order No. 15-0021, which requires REtitle and the Company to obtain a certificate of authority from California.

9. REtitle has abandoned its proposed acquisition of the Company. The stock purchase agreement between parties of REtitle and the Company was terminated and the proposed acquisition was not consummated.

10. On August 28, 2015, the parties representing REtitle and the Company provided the Insurance Commissioner their executed notice of termination of the second amended stock purchase agreement dated January 26, 2015 between REtitle, David C. Bayley, and the Company, effective July 21, 2015.

11. Since the stock purchase agreement between parties of REtitle and the Company was terminated, the Form A statement was not consummated.

12. David C. Bayley remains the sole owner and CEO of the Company.

13. RCW 48.31B.015(6)(b) provides that no person may enter into an agreement to seek to acquire voting securities of a domestic insurer without the approval of the Insurance Commissioner.

14. RCW 48.31B.015(4)(a)(ii)(C) provides that the Insurance Commissioner may condition the approval of a merger or other acquisition on the removal of the basis of disapproval within a specified period of time.

15. Pursuant to RCW 48.31B.015 and the terms of Order No. 15-0021, the conditions for approval of the acquisition of the Company by the Applicant were not met. The underlying stock purchase agreement has been unwound, as evidenced by the notice of termination from the contracting parties. Therefore, the Insurance Commissioner's approval of the transaction should be rescinded, the transaction disapproved and Order No. 15-0021 should be vacated.

16. On October 8, 2015, James J. Dufficy, Managing Member of Retitle, executed a "Consent to Order Vacating Form A Approval," which he filed with the Office of Insurance Commissioner's Hearings Unit and Legal Affairs Division on October 14, 2015.

ORDER

Pursuant to the foregoing Basis for Order, the Insurance Commissioner hereby orders as follows:

1. Order No. 15-0021 is hereby VACATED. The Insurance Commissioner's conditional approval of the purchase of the Company by the Applicant is hereby rescinded and the transaction disapproved.

2. The administrative supervision of the Company may be extended upon the finding and notice under RCW 48.31.400.

Dated this 21st day of October, 2015.



William G. Pardee
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. Dufficy, David C. Bayley, Mike Kreidler, James T. Odiorne, JD, CPA, AnnaLisa Gellermann, Darryl Colman, Ronald Pastuch.

DATED this 23rd day of October 2015.



KELLY A. CAIRNS