

State of Washington
Office of the Insurance Commissioner
Legal Affairs Division
Investigations Unit



**Final Investigative Report
Cover Page Synopsis**

OIC Case #: 1229571
Related Cases: none

Final Report Date: May 5, 2015
Date Complaint Received: November 21, 2014

Name of Person or Entity under Investigation: First American Title Insurance Company, 1 First American Way, Santa Ana, CA 92707, 714-558-3211

WAOIC License Number and Status: 461 / Non-Resident /Active

Representative for Person or Entity under Investigation: Matthew B. Sager, 9000 East Pima Center Parkway, Scottsdale, AZ. 85258, Office 602-685-7511, email msager@firstam.com

Complainant: Chris Schulz 19020 33rd Ave W, Suite 360 Lynnwood, WA 98036 425-776-1970 cshulz@ortc.com

Name of Insured (if different from complainant): N/A

Relationship to Insured: N/A

Allegation(s): First American Title Insurance Company sponsored a free educational program for producers of title insurance business, paid for the venue, co-advertised the event by publishing a flyer, and distributed the flyer to recipients of their email data base. The presentation did not consist of training regarding title insurance, escrow, or real property law. Possible violation of WAC 284-29-215(3), 284-29-220(2)(a)(b)(3), and 284-29-235 (2)(a)(b)(c) (4)(b).

Investigative Findings: The allegation is substantiated

Potential RCW's or WAC's Violated: WAC 284-29-215(3), RCW 48.29.210(2), WAC 284-29-200(6), and 284-29-235(2)(a)(b)(c).

First American Title Ins. Co.
Docket No. 15-0166
Exh. 18

OIC 1229571 000029

EXHIBIT FA-18



Final Report of Investigation
Executive Summary

The allegation that, First American Title Insurance Company (FATIC) co-sponsored a free educational seminar with a mortgage company, which FATIC organized, arranged for the speaker, developed the flyer, located a suitable venue, and paid to rent the venue, under the guise that the event was a trade association sponsored event is substantiated. 270 producers of title insurance business attended the presentation.

In an interview, Chris Schulz the general manager of Old Republic Title Co, told OIC that his sales manager was looking at the FATIC Facebook page and saw a Snohomish County Camano Association of Realtors (SCCAR) training advertisement for an economic forecast presentation by Zillow. Schulz said that he is a member of SCCAR and he had not received an invitation to attend the presentation. Schulz said he called SCCAR and spoke to director Ryan McIrvine. Schulz said he asked Mr. McIrvine why he had not received an invitation to attend the presentation to which Mr. McIrvine replied that it was a private event, that FATIC had planned the event, organized, and paid for the venue, then asked SCCAR to put their name on it. He said that it sounded to him that FATIC sponsored and organized the event and got SCCAR to make it look like it was their idea after the fact.

In an interview, the Title Insurance Sales Manager of FATIC Sara Christensen told OIC that she assisted SCCAR in planning the event by locating the venue and paying for the rental of the venue. Ms. Christensen said that she paid about \$895.00 in rental fees for the venue and that Cobalt Mortgage paid for the food. She told OIC that she probably asked SCCAR to include the FATIC logo and phone number on the flyer that was developed by SCCAR. Ms. Christensen told OIC that she sent the flyers to her customers via email.

In an interview, government affairs director for SCCAR Ryan McIrvine told OIC that he remembers that FATIC Sales Manager Christensen approached SCCAR with the idea of doing an economic forecast presentation for SCCAR members and customers of FATIC. He said that

he sent the SCCAR logo to Sara Christensen, that she or someone in her office created the flyer containing both logos. Mr. McLrvin told OIC that he did not produce the flyer, that Christensen provided it to him for distribution to SCCAR membership. Mr. McLrvin told OIC that he did not arrange for Zillow to provide a speaker. He told OIC that he does not have a contact at Zillow. He said that Ms. Christensen organized the event, arranged for the speaker, developed the flyer, located, and paid to rent the venue.

In an interview, Earl Schmidt the manager of Cobalt Mortgage, told OIC that in a roundabout way in late 2014, Cobalt was asked to help with a presentation that was organized by FATIC. He said that the request came to him without him knowing who at FATIC made the request. He said that he ended up helping by buying Subway sandwiches for the attendees. Mr. Schmidt said that he remembered paying about \$1,000.00 for the food and beverages, and he personally attended the event.

The Senior Operations Counsel for FATIC, Matthew Sager provided a response to the OIC complaint notification letter. Sager wrote, "First American respectfully responds by stating that its sponsorship of the education seminar held on October 16, 2014 was in compliance with WAC 284-29-220. First American was a sponsor of the educational seminar presented by the Snohomish County Camino Association of Realtors ("SCCAR"). As shown in the flyers advertising the event, this was a SCCAR educational seminar. It can also be seen in the flyer that First American's role in the event was that of a sponsor. The total fee paid to sponsor the educational seminar was \$875, below the \$1,000 limit per WAC 284-29-220 (5)(b)(i). First American respectfully answers that the sponsorship of the education seminar held by SCCAR on October 16, 2014 was permitted and done in accordance with WAC 284-29-220 and 284-29-235." In his response, Sager told OIC that 270 producers of title insurance business attended the seminar.

In an interview, Zillow Senior Economist Skyler Olsen told OIC that she was the speaker at the SCCAR event on October 16, 2014. Ms. Olsen said the topic of her presentation was a general overview of economic real estate trends and economic forecast. Ms. Olsen said that the presentation had nothing to do with training regarding title insurance, escrow, or real property law. She told OIC that Zillow does not charge for presentations, that the Power Point presentations are available at Zillow.com. Ms. Olsen did not know how many people attended. Ms. Olsen did not know who rented the theater or who paid for lunch.



Final Report of Investigation
Investigative Findings

This investigation was opened upon the receipt of a complaint from, Chris Schulz who alleged that licensee First American Title Insurance Company (FATIC), organized, promoted, and paid for an economic forecast presentation. When I received this case several documents were included. OIC Compliance Analyst Fritz Denzer of Consumer Advocacy originally investigated this complaint. Mr. Denzer sent a complaint notification letter to FATIC requesting information. FATIC Sr. Operations Counsel, Matthew Sager responded to the request by sending Mr. Denzer a cover letter, copies of email, and a list of attendees. OIC Staff Attorney Jim Tompkins of Policy and Litigation wrote an analysis of the case. Attached is a copy of the complaint from Mr. Schulz (Exhibit 1a), a copy of the complaint notification to FATIC (Exhibit 1b), copies of the cover letter, email, and a list of attendees from FATIC (Exhibit 1c), a copy of Mr. Tompkins analysis (Exhibit 1d).

A review of the OIC licensing database reveals that FATIC was originally licensed by the OIC in January 2, 1969 and their status is active, they have 25 active appointments. On May 6, 2013, FATIC agreed to pay OIC \$25,000.00 to resolve pending proceedings for violation of WAC 284-29-220, and WAC 284-29-235. Attached is a copy of the SIMBA printouts showing licensing information (Exhibit 2a), and a copy of the Stipulation and Agreed Order Dismissing Adjudicative Proceedings No. 13-0021 (Exhibit 2b).

The senior operations counsel for FATIC, Matthew Sager was notified of this investigation by the OIC. Attached is a copy of the OIC notification letter to Mr. Sager (Exhibit 3).

The Senior Operations Counsel for FATIC, Matthew Sager provided a response to the OIC complaint notification letter. Sager said that the October 16, 2014 event was a trade association seminar initiated by SCCAR for their members. Sager asserts that FATIC sponsored the event at the behest of SCCAR. He also describes the event as a educational seminar. Sager writes that the event is not a violation of WAC 284-29-235(3). The response is addressed to OIC Fredrick Denzler. In his response, Sager told OIC that 270 producers of title insurance business

attended the seminar. Attached is a copy of the response letter submitted by Sager (Exhibit 4a), a copy of other evidence submitted by the Mr. Sager (Exhibit 4b), and a copy of the Memorandum of Interview with Mr. Sager (Exhibit 4c).

In an Interview, the Title Insurance Sales Manager of First American Title (FATCO) Sara Christensen told OIC that she assisted SCCAR in planning the event by locating the venue, and paying for the rental of the venue. Ms. Christensen said that she paid about \$895.00 in rental fees for the venue, and that Cobalt Mortgage paid for the food. She told OIC that she probably asked SCCAR to include the FATCO logo and phone number on the flyer that was developed by SCCAR. Ms. Christensen told OIC that she sent the flyers to her customers via email. Attached is a copy of the Memorandum of Interview with Ms. Christensen (Exhibit 5).

In an Interview, Zillow Senior Economist Skyler Olsen told OIC that she was the speaker at the SCCAR event on October 16, 2014. Ms Olsen said the topic of her presentation was a general overview of economic real estate trends, and economic forecast. Ms. Olsen said that the presentation had nothing to do with training regarding title insurance, escrow, or real property law. She told OIC that Zillow does not charge for presentations, the Power Point presentations are available at Zillow.com. Ms. Olsen did not know how many people attended. Ms. Olsen did not know who rented the theater, or who paid for lunch. Attached is a copy of the Memorandum of Interview with Ms. Olsen (Exhibit 6).

The government affairs director for SCCAR, Ryan McLrvin was interviewed by phone. He told OIC that he remembers that FATIC approached SCCAR with the idea of doing an economic forecast presentation to the membership, and customers of FATIC. He said that he sent the SCCAR logo to Sara Christensen at FATIC, and she had the flyer made. Mr. McLrvin told OIC that he did not produce the flyer, that Ms. Christensen provided it to him for distribution to SCCAR membership. Mr. McLrvin told OIC that he did not arrange for Zillow to provide a speaker, that he does not have a contact at Zillow. He said that Ms. Christensen organized the event, arranged for the speaker, located and paid to rent the venue. Attached is a copy of the Memorandum of Interview with Mr. McLrvin (Exhibit 7).

In an Interview, the director of the Snohomish County-Camano Association of Realtors (SCCAR) Matthew Wahlquist told OIC that in 2013, SCCAR was approached by FATIC with the idea of doing an economic forecast type presentation. He said that at that time, Sara Christensen organized the event much like the event she organized in October 2014. He said

that SCCAR did not pay for any part of the event. He said Ms. Christensen organized the entire event. He said that Mr. McIrvine helped produce the 2014 flyer to advertise the event to the membership. Attached is a copy of the Memorandum of Interview with Mr. Wahlquist (Exhibit 8).

In an interview, the manager of Cobalt Mortgage, Earl Schmidt told OIC that in a roundabout way in late 2014, Cobalt was asked to help with a presentation that was organized by FATIC. He said that he ended up helping by buying Subway sandwiches for the attendees. Mr. Schmidt said that he remembered paying about \$1,000.00 for the food and beverages, and personally attended the event. Attached is a copy of the Memorandum of Interview with Mr. Schmidt (Exhibit 9).

The general manager of Old Republic Title Co, Chris Schulz was interviewed by phone. Mr. Schulz told OIC that his sales manager was looking at the FATIC Facebook page and saw the SCCAR event displayed. He said that he is a member of SCCAR and he had not received an invitation to attend the presentation. Mr. Schulz said he called SCCAR and spoke to Ryan McIrvine. He said he asked Mr. McIrvine why he had not received an invitation to attend the presentation to which Mr. McIrvine replied that it was a private event, that FATIC had planned the event, organized, and paid for the venue, then asked SCCAR to put their name on it. He said that it sounded to him that FATIC sponsored and organized the event and got SCCAR to make it look like it was their idea after the fact. Attached is a copy of the Memorandum of Interview with Mr. Schulz (Exhibit 10).



Barry M. Walden
CFCE Investigator



Brandon M. Lee
Investigator Supervisor



Mark W. Durphy, CFE, CIG, CIGI
Investigations Manager



Final Report of Investigation
Exhibits List

- Exhibit 1a: A copy of the original complaint from Chris Schulz
- Exhibit 1b: A copy of the OIC Fritz Denzer's Complaint Notification letter to FATIC
- Exhibit 1c: A copy of the response from FATIC Sr. Operation Counsel Martin Sager
- Exhibit 1d: A copy of the analysis of OIC Jim Tompkins

- Exhibit 2a: A copy of SIMBA licensing printout for FATIC
- Exhibit 2b: A copy of 13-0021 previous action against FATIC

- Exhibit 3: A copy of the complaint notification letter to FATIC

- Exhibit 4a: A copy of the response from FATIC attorney Sager
- Exhibit 4b: A copy of the list of attendees provided by Sager
- Exhibit 4c: The mailed response from FATIC attorney Sager
- Exhibit 4d: A copy of the Memorandum of Interview with Sager

- Exhibit 5: A copy of the Memorandum of Interview Sara Christensen

- Exhibit 6: A copy of the Memorandum of Interview Skyler Olsen / Zillow

- Exhibit 7: A copy of the Memorandum of Interview Matthew Wahlquist / SCCAR

- Exhibit 8: A copy of the Memorandum of Interview Ryan McLrvin / SCCAR

- Exhibit 9: A copy of the Memorandum of Interview Earl Schmidt / Cobalt

- Exhibit 10: A copy of the Memorandum of Interview complainant Chris Schulz

MEMORANDUM

To: Compliance Group
Date: June 10, 2015
Subject: June 17, 2015, 10:30 a.m. Compliance Committee
Room 221

AGENDA

- Bankers Standard Insurance Company, SIMBA No. 1277035 (Stickler)
- First American Title Insurance Company, SIMBA No. 1229571 (Stickler)

Factors to consider:

1. Consistency with other enforcement actions.
2. Impact of violations — on consumers, on marketplace, etc. — frequency, severity, extent of violations — extent to which a violator gained a competitive advantage through the violation(s).
- *3. Prior conduct of company.
4. Statutory maximums/minimums.
- *5. Whether violations were intentional/grossly negligent/negligent, etc.
6. Whether the enforcement action contemplated is likely to be viewed by respected elements of the industry, when all facts are known, as reasonable.
7. Financial stability of the company.
8. Policy implications.
- *9. Company's cooperation with regulators — for example, did company bring problem to regulator's attention; what is company's commitment to compliance and what demonstrated steps has it taken toward achieving compliance; did company tell regulators the truth about a situation during the investigative phase or at the time of the occurrence.
10. Cost to agency of investigation and enforcement action
11. NOTES:

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THE COMPLIANCE COMMITTEE

Compliance Group Review
SUMMARY
June 17, 2015

*Legal Affairs Division
Office of the Insurance Commissioner
State of Washington*

Carrier: First American Title Insurance Company
File Number: 1229571
Referred By: Investigations – Barry Walden
Staff Attorney: Marcia Stickler

Facts

First American Title Insurance Company (“FATCO” or “the Company”) is an authorized title insurer domiciled in California.

FATCO approached the Snohomish County Camano Association of Realtors (“SCCAR”) in late 2014 and requested that it sponsor a real estate “Economic Forecast” presentation by an economist from Zillow® on October 16, 2014. Zillow® does not charge for this presentation. FATCO would take care of all of the planning and execution of the event, but it would technically be a “trade association event” under WAC 284-29-220. FATCO arranged to have a mortgage lender, Cobalt Mortgage, bring in and pay for lunch. FATCO prepared the advertisement flyer with its logo affixed, and sent it to SCCAR for addition of its logo and email distribution. FATCO rented a local venue that cost \$875. SCCAR sent the flyer to its “active membership,” excluding affiliate members that are not also producers of title insurance business, most of whom are FATCO competitors. A total of 270 producers of title insurance business attended the seminar. Trade association events involving title companies are limited by WAC 284-29-220. Title company-sponsored educational seminars are also governed by WAC 284-29-235.

One of the affiliate members, a manager at a FATCO competitor, came across the flyer on FATCO’s website. He contacted SCCAR to find out why he had not received an invitation to the free event, as he was also a member of SCCAR. SCCAR told him that this was a “private” event not open to the entire membership, only to producers of title insurance business. The competitor then made a complaint to the OIC, citing violations of the title insurance rules in WAC 284-29. The gist of his complaint was that FATCO used SCCAR to disguise their own event as a trade association event, a violation of WAC 284-29-200(6). Had it been offered as a free event sponsored by FATCO alone, it would have had to have been restricted to education regarding title insurance, title to real property, or escrow topics. This economic forecast information seminar could not have been properly given by FATCO alone without charging

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THE COMPLIANCE COMMITTEE

Compliance Group Review

SUMMARY

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attendees for it. FATCO confirmed to the OIC investigator that it had put on a similar SCCAR event in 2013 and 2014, as well.

Investigation revealed that the complaint was valid. The event was entirely initiated, organized, and presented by FATCO. SCCAR's only role was to distribute the flyer to its "active" members, excluding affiliate members that are competitors of FATCO. FATCO denied this allegation, saying all members were invited. However, the attendee list provided to the OIC by FATCO confirmed that of the 270 attendees, the only affiliate members who attended the event were those that could also bring title insurance business to FATCO (mortgage lenders and homebuilders), supporting the complainant's claim and casting doubt on FATCO's statement to the contrary. According to SCCAR, people who are not real estate licensees are only eligible for affiliate membership status.

FATCO's representative falsely told the OIC investigator that SCCAR initiated the idea of the seminar and asked FATCO to participate. When requested by the OIC investigator, FATCO reported that the total employee time used to put on the event was less than three hours. FATCO would not elaborate further nor remit any documentation of names, salaries or other expenses incurred other than the bill for the venue showing \$875 rental fee. FATCO's counsel indicated several times that to gather the requested information would be unduly burdensome and that the request for information concerning the educational seminar was overly broad. The same response was made to the OIC investigator's request for emails between FATCO and the other sponsor and the trade association in connection with the presentation. FATCO's counsel admitted that it was not able to access the emails between FATCO and Cobalt Mortgage, the other sponsor of the event.

FATCO is limited to a contribution of \$1,000 per event with a trade organization. It likely exceeded the limit since it refused to add to the \$875 venue rental cost the value of its employee time used in coordinating with Zillow®, finding a co-sponsor for the lunch, creating the flyer, arranging for the venue, etc., as required by WAC 284-29-235(4). Documentation of compliance is required to be kept and shared with the Commissioner under WAC 284-29-265.

Summary of Applicable Law

RCW 48.29.210(2) A title insurer, title insurance agent, or employee, agent, or other representative of a title insurer or title insurance agent shall not, directly or indirectly, give anything of value to any person in a position to refer or influence the referral of title insurance business to either the title insurance company or title insurance agent, or both, *except as permitted under rules adopted by the commissioner.*

WAC 284-29-200(6) states that title companies must not enter into any agreement, arrangement, scheme, or understanding or in any other manner pursue any course of conduct, designed to avoid RCW 48.29.210 and WAC 284-29-200 through 284-29-265.

WAC 284-29-220 (2) A title company may donate to, contribute to or otherwise sponsor a trade association event only if all of the following conditions are met:

(a) *The event is a recognized association event that generally benefits all members and affiliated members of the association in an equal manner;*

(b) The donation must not benefit a selected producer member of the association unless through a random process; and

(c) Solicitation for the donation must be made of all association members and affiliated members in an equal manner and amount.

WAC 284-29-220 (5) A title company may:

(a)(i) Donate to, contribute to, or otherwise sponsor a trade association event under subsection (2) of this section;

(ii) Advertise in a trade association publication under WAC 284-29-215(1); and

(iii) Sponsor a trade association educational seminar under WAC 284-29-235(3);

(b) *Give a thing of value listed under (a) of this subsection to a trade association only if all of the following requirements are met:*

(i) *The thing of value is limited to one thousand dollars per event, advertisement, or sponsorship of an educational seminar;*

WAC 284-29-235 Educational Seminars.

+

(1) A title company may conduct educational programs at no charge only if the content of the program consists solely of education regarding title insurance, title to real property, and escrow topics.

(3) A title company may sponsor an educational seminar of a trade association subject to the limits in WAC 284-29-220.

(4) A title company may sponsor an educational program on topics other than title insurance, title to real property, and escrow only if:

(a) The educational program is open to all producers; and

(b) The attendees actually pay to attend the program the greater of:

(i) All expenses and costs associated with the delivery of the educational program by the title company; or

(ii) What the attendee would pay to attend a similar seminar sponsored by entities other than title companies on the open market.

The calculation by the title company of the expenses and costs associated with the delivery of the education program must include, but not be limited to, all travel, refreshments, speaker fees or wages of the speaker, facility rental, preparation of materials distributed at the program, parking, advertisement, and wages of arranging and planning for the program.

WAC 284-29-265 states that (1) A title company must keep and maintain complete, accurate, and sufficient records to demonstrate compliance with WAC 284-29-200 through this section and keep them for a period of five years after the end of the year during which any thing of value was given to a producer.

(2) All records of a title company kept in order to meet the terms of WAC 284-29-200 through this section must be made available to the commissioner or the commissioner's representative during regular business hours.

(3) Failure of the title company to keep the records required by WAC 284-29-200 through this section is a violation of RCW 48.29.210.

RCW 48.05.185 permits the Commissioner to impose a fine of between \$250 and \$10,000 for violation of the insurance code.

Prior Disciplinary History:

In 2007, prior to the promulgation of WAC 284-29, the Company was fined \$2,500 for underpricing educational seminars it gave to producers of title insurance business by failing to include the costs of advertising, the venue, or the instructor's preparation and teaching time, in violation of WAC 284-30-800, Consent Order D07-154.

In 2013, the Company settled allegations that it again gave seminars for free that went beyond title insurance, title to real property, or escrow topics in violation of WAC 294-29-235 and WAC 284-29-220 by paying a \$25,000 fine. Stipulation and Agreed Order Dismissing Adjudicative Proceedings 13-0021.

Penalties Imposed in Similar Cases

In 2013, Chicago Title Insurance Company was fined \$15,000 for co-advertising with a producer and giving three free seminars to producers that went beyond title insurance, title to real property and escrow topics. It also co-advertised with six producers of title insurance business. Consent Order 11-0150.

Recommendation

There are a minimum of 270 violations. FATCO appears to have a problem with violations involving educational seminars given to producers. It is likely that these violations also occurred in 2013 and 2014, although these have not been investigated thoroughly. As at least a second offense of this kind, and because it tried to disguise what it was doing and was not truthful to the OIC investigator, Legal Affairs Division recommends a fine of \$100,000, or more. Competitive pressure leads title companies to push the boundaries in providing things of value to producers of title insurance business. As a large and profitable company, anything less will not make the desired impression on FATCO.

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

OLYMPIA OFFICE:
INSURANCE BUILDING
P.O. BOX 40255
OLYMPIA, WA 98504-0255
Phone: (360) 725-7000

July 1, 2015

First American Title Insurance Company
Matthew B. Sager
9000 East Pima Center Parkway
Scottsdale, AZ 85258

Re: First American Title Insurance Company
Proposed Consent Order Levying a Fine – OIC Order No. 15-0166

Dear Mr. Sager:

The Office of the Insurance Commissioner has investigated a complaint against First American Title Insurance Company, and finds that it has violated a provision of the law that must be followed as part of their licensing expectations. The violation(s) are detailed in the attachment to this letter.

When a violation occurs, the Insurance Commissioner is granted the authority to take action. The action may range from levying a fine to suspension or revocation of a Certificate of Authority.

We are offering First American Title Insurance Company an opportunity to settle this matter by signing the attached Consent Order and paying a fine. As part of this settlement, First American Title Insurance Company will admit their violation, pay the imposed fine, and agree to fully comply with all applicable laws of Washington State going forward.

The deadline to accept the settlement offer is **July 31, 2015**. Please refer to the instructions on the next page. If the settlement offer is not accepted by that date, it will be withdrawn.

Upon withdrawal of the settlement offer, the Insurance Commissioner may revoke First American Title Insurance Company's Certificate of Authority pursuant to the Revised Code of Washington (RCW) 48.05.185 and request a hearing to impose the fine. Alternatively, you may request a hearing yourself. If this matter results in a hearing, the Insurance Commissioner is not bound by this settlement offer and may seek a fine in the full amount warranted for your particular situation.

If you have any questions regarding this matter, I can be reached at (360) 725-77048 or by email at MarciaS@oic.wa.gov.

Sincerely,

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

Marcia G. Stickler, JD, LLM
Insurance Enforcement Specialist
Legal Affairs Division

First American Title Ins. Co.
Docket No. 15-0166
Exh. 21

EXHIBIT FA-21

Enclosure: Consent Order

How do I accept this time-limited settlement offer?

By July 31, 2015, you must:

1. Sign the attached settlement order. The settlement order is called a Consent Order because you are agreeing or consenting to the terms of the agreement.
2. Pay the fine amount indicated in the order by check.
3. Mail the signed order with your payment check(s) to:

Office of the Insurance Commissioner
ATTN: Fiscal
PO Box 40257
Olympia, Washington 98504-0255

When we receive your signed order and fine payment, the Insurance Commissioner will execute the agreement and provide you with a validated copy of the settlement agreement for your records.

How do I request an administrative hearing?

By September 29, 2015, you must:

1. Provide a written request for an administrative hearing. Your written request should include:
 - A brief statement of how you are harmed by the commissioner's proposed action.
 - A statement of the outcome you seek.
 - Your contact information: name, mailing address, email address, and phone number.
 - A copy of the commissioner's proposed order you are challenging.

Although not required, it would be helpful if you also included the following information in your written request for a hearing:

- A statement identifying the facts in the Consent Order you disagree with or believe are inaccurate, and why you think so.
- A statement identifying any additional facts or information you want the Insurance Commissioner to consider.

2. Mail your written request to:

Office of the Insurance Commissioner
ATTN: Hearings Unit
PO Box 40255
Olympia, WA 98504-0255

For more information about the hearings process, please visit: <http://www.insurance.wa.gov/laws-rules/administrative-hearings/>

STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of

**First American Title Insurance
Company,**

Authorized Title Insurer.

Order No. 15-0166

WAOIC No. 461

NAIC No. 50814

CONSENT ORDER LEVYING
A FINE

This Consent Order Levying a Fine ("Order") is entered into by the Insurance Commissioner of the state of Washington ("Insurance Commissioner"), acting pursuant to the authority set forth in RCW 48.02.060 and RCW 48.05.185, and First American Title Insurance Company. This Order is a public record and will be disseminated pursuant to Title 48 RCW and the Insurance Commissioner's policies and procedures.

BASIS:

1. First American Title Insurance Company ("First American") is an authorized title insurer domiciled in Nebraska and duly authorized to engage in the business of title insurance in the state of Washington since January 2, 1969.

2. First American approached the Snohomish County Camano Association of Realtors ("SCCAR") in late 2014 and requested that it sponsor a real estate "Economic Forecast" presentation by an economist from Zillow® on October 16, 2014. Zillow® does not charge for this presentation. First American would take care of all of the planning and execution of the event, but it would technically be a "trade association event" under WAC 284-29-220. First American arranged to have a mortgage lender, Cobalt Mortgage, bring in and pay for lunch. First American prepared the advertisement flyer with its logo affixed, and

CONSENT ORDER LEVYING A FINE
ORDER NO. 15-0166

1

Office of Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

1229571

sent it to SCCAR for addition of its logo and email distribution. First American rented a local venue that cost \$875. SCCAR sent the flyer to its "active membership," excluding affiliate members that were not also producers of title insurance business, most of whom are First American competitors. A total of 270 members of SCCAR, producers of title insurance business, attended the presentation. Trade association events involving title companies are limited by WAC 284-29-220. Title company-sponsored educational seminars are also governed by WAC 284-29-235.

3. One of the affiliate members, a manager at a First American competitor, came across the flyer advertising the event on First American's Facebook page. He contacted SCCAR to find out why he had not received an invitation to the free event, as he was also a member of SCCAR. SCCAR told him that this was a "private" event not open to the entire membership, only to producers of title insurance business. The competitor then made a complaint to the Insurance Commissioner, citing violations of the title insurance rules in WAC 284-29. The gist of his complaint was that First American used SCCAR to disguise their own event as a trade association event, a violation of WAC 284-29-200(6). Had it been offered as a free event sponsored by First American alone, it would have had to have been restricted to education regarding title insurance, title to real property, or escrow topics. This economic forecast information seminar could not have been properly given by First American alone without charging attendees for it. First American confirmed to the Insurance Commissioner's investigator that it had put on a similar SCCAR event in 2013.

4. The event was entirely initiated, organized, and presented by First American. SCCAR's only role was to distribute the flyer to its "active" members, excluding affiliate members that are competitors of First American. First American denied this allegation, saying all members were invited. However, the attendee list provided to the Insurance Commissioner by First American confirmed that of the 270 attendees, the only affiliate members who attended the event were those that could also bring title insurance business to First American, mortgage lenders and homebuilders. According to SCCAR's membership rules, people who are not real estate licensees are only eligible for affiliate membership status.

5. First American's representative falsely told the investigator that SCCAR initiated the idea of the seminar and asked First American to participate. When requested by the investigator, First American reported that the total employee time used to put on the event

CONSENT ORDER LEVYING A FINE
ORDER NO. 15-0166

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Office of Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

1229571

was fewer than three hours. First American would not elaborate further nor remit any documentation of names, salaries or other expenses incurred other than the bill for the venue showing an \$875 rental fee. First American's counsel indicated several times that to gather the requested information would be unduly burdensome and that the request for information concerning the educational seminar was overly broad. The same response was made to the investigator's request for emails between First American and the other sponsor and the trade association in connection with the presentation. First American's counsel admitted that it was not able to access the emails between First American and Cobalt Mortgage, the other sponsor of the event.

6. First American is limited to a contribution of \$1,000 per event with a trade organization. Even if the First American event had been a legitimate trade organization function, it exceeded the contribution limit since it refused to add to the \$875 venue rental cost to the value of its employee time used in coordinating with Zillow®, finding a co-sponsor for the lunch, creating the flyer, arranging for the venue, etc., as required by WAC 284-29-235(4). Documentation of compliance is required to be kept and shared with the Insurance Commissioner under WAC 284-29-265.

7. RCW 48.29.210(2) states that a title insurer, title insurance agent, or employee, agent, or other representative of a title insurer or title insurance agent shall not, directly or indirectly, give anything of value to any person in a position to refer or influence the referral of title insurance business to either the title insurance company or title insurance agent, or both, *except as permitted under rules adopted by the commissioner*. [Emphasis added]. That is, if the thing of value is not given in strict compliance with the regulations, it is given in violation of the statute.

8. WAC 284-29-200(6) states that title companies must not enter into any agreement, arrangement, scheme, or understanding or in any other manner pursue any course of conduct, designed to avoid RCW 48.29.210 and WAC 284-29-200 through 284-29-265. First American's arrangement with SCCAR violated this regulation.

9. WAC 284-29-220(2) states that a title company may donate to, contribute to or otherwise sponsor a trade association event only if all of the following conditions are met:

- (a) The event is a recognized association event that generally benefits all members and affiliated members of the association in an equal manner;

- (b) The donation must not benefit a selected producer member of the association unless through a random process; and
- (c) Solicitation for the donation must be made of all association members and affiliated members in an equal manner and amount.

By excluding some affiliate members from the event, First American violated this regulation.

10. WAC 284-29-235 states that (1) A title company may conduct educational programs at no charge only if the content of the program consists solely of education regarding title insurance, title to real property, and escrow topics; (3) A title company may sponsor an educational seminar of a trade association subject to the limits in WAC 284-29-220; (4) A title company may sponsor an educational program on topics other than title insurance, title to real property, and escrow only if: (a) The educational program is open to all producers; and (b) The attendees actually pay to attend the program the greater of: (i) All expenses and costs associated with the delivery of the educational program by the title company; or (ii) What the attendee would pay to attend a similar seminar sponsored by entities other than title companies on the open market. The calculation by the title company of the expenses and costs associated with the delivery of the education program must include, but not be limited to, all travel, refreshments, speaker fees or wages of the speaker, facility rental, preparation of materials distributed at the program, parking, advertisement, and wages of arranging and planning for the program. By giving an educational seminar without cost on subjects other than solely about title insurance, title to real property, and escrow topics, First American violated this regulation.

11. WAC 284-29-265 states that (1) A title company must keep and maintain complete, accurate, and sufficient records to demonstrate compliance with WAC 284-29-200 through this section and keep them for a period of five years after the end of the year during which any thing of value was given to a producer; (2) All records of a title company kept in order to meet the terms of WAC 284-29-200 through this section must be made available to the commissioner or the commissioner's representative during regular business hours; (3) Failure of the title company to keep the records required by WAC 284-29-200 through this section is a violation of RCW 48.29.210. By failing to have records demonstrating compliance with WAC 284-29 available to the Commissioner, First American violated this regulation.

12. RCW 48.05.185 provides that after hearing or with the consent of the insurer and in addition to or in lieu of the suspension, revocation, or refusal to renew any certificate of

CONSENT ORDER LEVYING A FINE
ORDER NO. 15-0166

4

Office of Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

1229571

authority the Insurance Commissioner may levy a fine upon the insurer in an amount not less than two hundred fifty dollars and not more than ten thousand dollars.

CONSENT TO ORDER:

The Insurance Commissioner of the state of Washington and First American agree that the best interest of the public will be served by entering into this Order. NOW, THEREFORE, First American 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 this matter in consideration of First American's payment of a fine, and upon such terms and conditions as are set forth below:

1. First American acknowledges its duty to comply fully with the applicable laws of the state of Washington.
2. First American consents to the entry of this Order, waives any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.
3. By agreement of the parties, the Insurance Commissioner will impose a fine of \$100,000.00 (One Hundred Thousand Dollars) to be paid by July 31, 2015.
4. First American understands and agrees that any further failure to comply with the statutes and/or regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violations.
5. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Company. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

EXECUTED this _____ day of _____, 2015.

First American Title Insurance Company

By: _____

Printed Name: _____

Printed Corporate Title: _____

AGREED ORDER:

Pursuant to the foregoing factual Basis and Consent to Order, the Insurance Commissioner of the state of Washington hereby Orders as follows:

1. First American shall pay a fine in the amount of \$100,000 (One Hundred Thousand Dollars), receipt of which is hereby acknowledged by the Insurance Commissioner.

2. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Company. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

ENTERED at Tumwater, Washington, this _____ day of _____, 2015.



MIKE KREIDLER
Insurance Commissioner

By and through his designee

MARCIA G. STICKLER
Insurance Enforcement Specialist
Legal Affairs Division

CONSENT ORDER LEVYING A FINE
ORDER NO. 15-0166

6

Office of Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

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OFFICE OF THE INSURANCE
COMMISSIONER

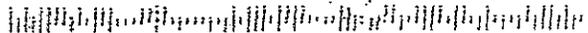
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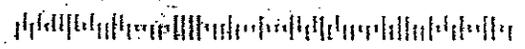
RETURNS TO SENDER

First American Title Insurance Co.
Matthew B. Sager
9000 East Pima Center Parkway
Scottsdale, AZ 85258

RECEIVED
JUL - 7 2015
BY: *[Signature]*



85 FJKDIBG 85258



Washington State Office of Insurance Commissioner
Original Complaint Details

File Number: 1229571

Complaint Date: 10/24/2014

Contact Name and Address

First Name: Chris Last Name: Schulz
Address: 19020 33rd Ave W, Suite 360
Address:
City: Lynnwood State: WA Zip: 98036
County: Snohomish Country: US
Email: cschulz@ortc.com
Home Phone: Work Phone-Ext: 425-776-1970 (P) Cell Phone:
Relationship to the Insured/Policyholder: Insured

Insured/Policy Holder Name and Address

First Name: Chris Last Name: Schulz
Address: 19020 33rd Ave W, Suite 360
Address:
City: Lynnwood State: WA Zip: 98036
County: Snohomish Country: US
Email: cschulz@ortc.com
Home Phone: Work Phone-Ext: 425-776-1970 (P) Cell Phone:

Insurance Company Information

Insurance Company: First American Title Insurance Company
Policy Type: Unknown Policy #:
Claim #: Date of Loss/Service:
Insurance Type: Other Not Listed
Insurance Type Other: Title Insurance
Employer or Plan Sponsor:

Agent/Adjuster Information

Agent/Adjuster
Name:
Company
Name:
Address:
Address:
City: State: Zip:
Country: Work Phone-Ext:

Give a brief explanation of the problem you would like us to assist with.

First American Title sponsored an Economic Forecast Presentation in violation of WAC 284-29-215 (2)(d); WAC 284-29-215 (2); WAC 284-29-

220 (2)(a); WAC 284-29-220 (2)(b); WAC 284-29-220 (3); and WAC 284-29-235.

At first glance it looks like this presentation (held on or around October 19, 2014) was a Snohomish-Camino Association of Realtor (SCCAR) Trade Association Event, with First American Title and Cobalt Mortgage as sponsors. However that is not the case. We called Ryan McIrvine at SCCAR to inquiry about the event, asking why all the association members were not informed of it. Ryan stated it was a private event, not open to all members. Mr. McIrvine stated First American planned the event, organized and paid for the event, then approached SCCAR to see if the Association would put their name on it. The Association agreed. It is my understanding around 200 producers a title insurance attended.

First American Title used SCCAR as a cover to try to conceal their purposeful violations of the WAC. The attendees did not pay a fee to attend; the topic presented was not on title and escrow; it was not open to all members of the trade association; it benefited a single producer to title insurance (Cobalt Mortgage); the event was not self-promotional.

Explain what you want the insurance company to do.

I would like the OIC to investigate the event. If a violation is found, place a large fine on First American Title. Why a large fine? A small fine will not be a deterrent. Each closed title and escrow order generates about \$2000 in revenue. A small fine of \$10,000 is five closed orders. That is nothing to First American. If each attendee sent and closed one order, that would generate \$400,000.

The hammer needs to be big to stop the behavior.

Supporting Documentation and Declaration Responses

Do you have supporting documents? If so, how will you send them to us?:

I want to upload supporting documents from my computer.

How did you hear about us?: Government Agency

I hereby declare that I am authorized to make this complaint. I further declare that all of the information submitted in this complaint is true and accurate.



Lawyers since 1897

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Toll-free 800.458.5973
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Jerry Kindinger

direct dial 206.654.2216
direct fax 206.652.2916
kindinger@ryanlaw.com
Ref. No. 1136738.01/015245.00039

July 20, 2015

VIA EMAIL – Marcia.S@gic.wa.gov

Marcia G. Stickler, JD, LLM
Insurance Enforcement Specialist
Legal Affairs Division
P.O. Box 40255
Olympia, WA 98504-0255

**Re: First American Title Insurance Company
Proposed consent Order Levying a Fine – OIC Order No. 15-0166**

Dear Marcia:

We have been engaged to represent First American Title Insurance Company (“First American”) in the above matter.

We left you several voice messages last week in an effort to get up to speed and be in a position to evaluate the “settlement offer” set out in your letter to Mr. Matthew Sager dated July 1, 2015. Given the July 31 deadline contained in your letter, we are anxious to speak with you and exchange information in order to be able to meaningfully advise our client and to discuss how to most constructively proceed.

We have represented First American for several years. In our experience, the Company has a good record in compliance with insurance statutes and regulations in this state and promptly responding to any complaints or inquiries that it receives from either the Department or consumers. First American reviews applicable regulations in connection with business decisions or related activities prior to engaging in them. To ensure on-the-ground review and accountability, First American employs a compliance officer who resides in Washington for the purpose of ensuring the Company’s compliance with the Washington Insurance Code. It takes its compliance obligation seriously.

In this case, the Company honestly believes that it fully complied with the applicable regulations pertaining to sponsoring a trade association event. The Company’s Washington State compliance officer was involved with and reviewed and approved the trade association event announcement before it was used. She believed that the announcement complied with Washington requirements.

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First American Title Ins. Co.
Docket No. 15-0166
Exh. 22

EXHIBIT EA-22

Marcia G. Stickler, JD, LLM .

July 20, 2015

Page 2

We understand that the Department may have a different perspective, but we respectfully believe that some of the facts and statements presented or made in the "Consent Order Levying a Fine," which you have provided as part of your July 1 settlement offer, are materially incorrect. We also believe that additional facts may be relevant for a full evaluation of the Department's concerns. At our request, the Company is in the process of gathering information relevant to these statements.

To expedite our review of all of the relevant facts, we respectfully request that you provide us a full copy of the file that you have concerning this matter (excluding any information you believe is privileged) which supports the statements made in the Consent Order. Given the shortness of time, we ask that you produce this information as soon as possible.

Best regards.

Very truly yours,

A handwritten signature in black ink, appearing to be "JK", written over a horizontal line.

Jerry Kindinger

JK:met

cc: Client



Lawyers since 1897

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Toll-free 800.458.5973
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Jerry Kindinger

direct dial 206.654.2216
direct fax 206.652.2916
kindinger@ryanlaw.com
Ref. No. 1137351.01/015245.00039

July 21, 2015

VIA EMAIL – MarciaS@pic.wa.gov

Marcia G. Stickler, JD, LLM
Insurance Enforcement Specialist
Legal Affairs Division
P.O. Box 40255
Olympia, WA 98504-0255

**Re: Request for Clarification of WAC 284-29-220
Applicability of Regulation to National Trade Association Contribution**

Dear Marcia:

Our client, First American Title Insurance Company (“First American”) has requested us to seek a clarification of WAC 284-29-220. Specifically the question is whether this regulation applies to sponsorships of national trade associations whose annual meetings may periodically be set within the state of Washington.

The facts are as follows:

Annually, First American and other underwriters are asked to sponsor the annual meeting of the CREW Network. This national organization, according to its website, is dedicated to “influencing the success of the commercial real estate industry by advancing the achievements of women.” This year the CREW annual association meeting will be held at the Hyatt Regency in Bellevue September 30 – October 3. First American was asked to make a contribution of \$20,000 towards this organization’s success. This threshold amount was set by the association and is denominated as a “gold sponsorship” level. If WAC 284-29-220 applies, the amount exceeds the \$1,000 limitation of the regulation. Also, if this event counts towards the limitation of three sponsorships in any one year, First American has already sponsored that number of Washington trade association events in four counties so that its contribution to the national CREW meeting would exceed the total number of sponsorships allowable under WAC 284-29-220(5)(b)(i).

The clarification we seek is whether the Department interprets this regulation as applying to any event held within the Washington State boundaries, regardless of whether the event is intended to further the purpose of a national or a local association, or whether the regulation is

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First American Title Ins. Co.
Docket No. 15-0166
Exh. 23

EXHIBIT FA-23

Marcia G. Stickler, JD, LLM
July 21, 2015
Page 2

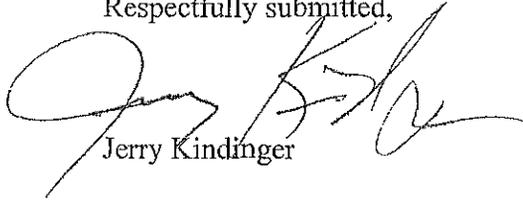
interpreted to apply only to sponsorship of trade associations situated and doing business in Washington for the purpose of serving Washington State producers solely.

First American would like to co-sponsor this CREW event, but will not do so if the Department concludes that WAC 284-29-220 applies.

Time is somewhat short. Apparently, as we understand it, bulletins and programs for the September meeting are being printed next week. If possible, we would appreciate the Department's clarification before then. In any event, a clarification is needed.

Thank you for your consideration.

Respectfully submitted,



Jerry Kindinger

JK:met

cc: Client

From: Kindinger, Jerry
Sent: Friday, September 4, 2015 4:30 PM
To: 'Stickler, Marcia (OIC)'
Subject: First American Title Ins.--Order No. 15-0166
Attachments: 201509041527.pdf; 201509041524.pdf

Categories: DM, #1169266 : 015245 : 00039

Marcia,

Attached are declarations of Matthew Wahlquist and Ryan Mc Irvin from Snohomish County Camano Association of Realtors. These declarations seem to materially contradict several statements made in the Department's settlement offer contained in the unsigned Consent Order Levying a Fine against First American Title Insurance Company. Once you have had an opportunity to review these declarations we would like to discuss with you the most constructive way to jointly work toward a mutually acceptable resolution of this matter. Please advise when we might do that. Thanks and best regards.

Jerry

Jerry Kindinger

Member

Ryan, Swanson & Cleveland, PLLC
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kindinger@ryanlaw.com | www.ryanswansonlaw.com
[Biography](#) | [vCard](#)



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STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of

First American Title Insurance Company,

Authorized Title Insurer.

Order No. 15-0166

WAOIC No. 461
NAIC No. 50814

**DECLARATION OF RYAN
McIRVIN**

I, Ryan McIrvin, declare as follows:

1. I am Ryan McIrvin, am competent to testify and make the following declaration based upon my own first-hand knowledge and information.
2. I am the Government Affairs Director of the Snohomish County Camano Association of Realtors ("SCCAR") and have been in this position since March, 2008.
3. I have reviewed the Consent Order Levying A Fine against First American Title Insurance Company pertaining to SCCAR and First American Title Insurance Company's involvement in the October 16, 2014 Economic Forecast Presentation by an economist from Zillow.
4. In connection with paragraph 2 of the Consent Order, I did not tell anyone from the Office of the Insurance Commissioner that First American approached SCCAR with the idea of doing this event in 2014. My understanding is that our office, through Matthew Wahlquist, approached First American on this subject.

DECLARATION OF RYAN McIRVIN - 1

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5. In connection with statements made in paragraph 3 of the Consent Order, I do not recall telling Mr. Chris Schulz, or anyone else, that the Zillow event was a "private" event "not open to the entire membership, only to producers of title insurance business." I would not have made such a statement to anyone because it would not have been true.

6. I do not recall speaking of Mr. Schulz at any time in connection with the October 2014 event, but if he had called me and asked a question that I could not answer, I likely would have suggested that he call First American.

7. Further your declarant sayeth naught.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

DATED this 4th day of September, 2015 at Everett, Washington.



Ryan McIrvin
Government Affairs Director of Snohomish
County Camano Association of Realtors

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STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of
First American Title Insurance Company,
Authorized Title Insurer.

Order No. 15-0166

WAOIC No. 461
NAIC No. 50814

DECLARATION OF MATTHEW WAHLQUIST

I, Matthew Wahlquist, declare as follows:

1. I am Matthew Wahlquist, and am competent to testify. I make this declaration based upon my own personal and firsthand knowledge and information.

2. For the last six years, I have been the Executive Officer of the Snohomish County Camano Association of Realtors ("SCCAR"). I am the highest ranking member of the staff of the association and report directly to the President.

3. I have been requested by First American Title Insurance Company to review the Consent Order Levying a Fine against First American in the above matter for purposes of providing information in response to some of the allegations contained in this document. The following is intended to provide those responses.

4. It is not true as alleged in paragraph 2. of the Consent Order that "First American approached SCCAR in late 2014 and requested that it sponsor a real estate economic forecast presentation by an economist from Zillow on August 16, 2014." What is true is that I, as the Executive Officer of SCCAR, approached First American through an

DECLARATION OF MATTHEW WAHLQUIST - 1



1 email on January 29th, 2014 (see Exhibit A attached).

2 5. Paragraph 2 of the Consent Order also states that SCCAR "sent a flyer to its
3 'active membership' excluding affiliate members that were not also producers of title
4 insurance business, most of whom are First American competitors." That is also incorrect.
5 SCCAR sent the subject flyer or information contained in the subject flyer to its entire
6 membership. No effort was undertaken to exclude any affiliate members. No effort was
7 undertaken to invite only "producers of title insurance business." In fact, affiliate members,
8 some of whom are competitors of First American, received this notice. SCCAR provided its
9 entire membership information about this event in two ways. First, it sent to the entire
10 membership its monthly email newsletter that contained the subject information. Second,
11 SCCAR placed information about the event on its website prior to the event giving notice to
12 all members and the world. Attached as Exhibit B is a printout of the website for
13 September 30, 2014.

14 6. Paragraph 3 of the Consent Order states that "one of the affiliate members, a
15 manager at a First American competitor, came across the flyer advertising event on First
16 American's Facebook page" and that he contacted SCCAR to find out why he had not
17 received an invitation to the event. I understand the person that is referenced in this Consent
18 Order is a Mr. Chris Schulz, an employee of Old Republic Title Insurance Company. Old
19 Republic Title Insurance Company is an affiliate member of SCCAR. SCCAR provides
20 notices to affiliate members by providing notices to contact persons of affiliate members
21 designated by the affiliate members to receive SCCAR notices on their behalf. In 2014, Mr.
22 Schulz was not a contact person whom Old Republic had designated to receive notices from
23 SCCAR. The contact persons from Old Republic at that time were Jim Fetzer and Lois
24 Champion Myers. Notices of the October 2014 event were provided to these contact persons
25 at Old Republic by way of an email newsletter and on our website. Because Mr. Schulz was
26

DECLARATION OF MATTHEW WAHLQUIST - 2

1160379.04

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1201 Third Avenue, Suite 3400
Seattle, WA 98101-3034
206.464.4224 | Fax 206.583.0359

1 not a designated contact person for Old Republic, he would not have received an email
2 invitation directly, but his employer who is the affiliate member did receive an invitation by
3 way of the email newsletter. Mr. Schulz could have been apprised of this information had he
4 looked at the SCCAR website.

5 7. Mr. Schultz was neither a realtor member nor listed as a contact person for an
6 affiliate member of SCCAR in 2014.

7 8. Paragraph 3 of the Consent Order also states that "SCCAR told him
8 (presumably Mr. Schulz) that this was a 'private' event not open to the entire membership,
9 only to producers of title insurance business." I have never made such statement to Mr. Schulz
10 or anyone else concerning this event. In fact, such a statement is inconsistent with the manner
11 in which SCCAR does business and how it seeks to promote all of its members active and
12 affiliate.

13 9. Paragraph 4 of the Consent Order suggests that the October 2014 event was
14 "entirely initiated" by First American and that SCCAR's only role was to distribute a flyer to
15 its active members, excluding affiliate members that are competitors of First American. In
16 fact, after I sent an email to Sara Christensen at First American on January 29, 2014 (Exhibit
17 A), Ms. Sara Christensen followed up with us to ensure that notice of this event had been
18 posted on our website and sent to members.

19 10. Further your declarant sayeth naught.

20 I declare under penalty of perjury under the laws of the State of Washington that the
21 foregoing is true and correct.

22 DATED this 4th day of September, 2015 at Everett, Washington.

23
24 
25 Matthew Wahlquist
26 Executive Officer of Snohomish County Camano
Association of Realtors

DECLARATION OF MATTHEW WAHLQUIST - 3





From: Matthew Wahlquist [<mailto:matthew@sccar.com>]
Sent: Wednesday, January 29, 2014 11:27 AM
To: Christensen, Sara
Subject: SCCAR Partnership

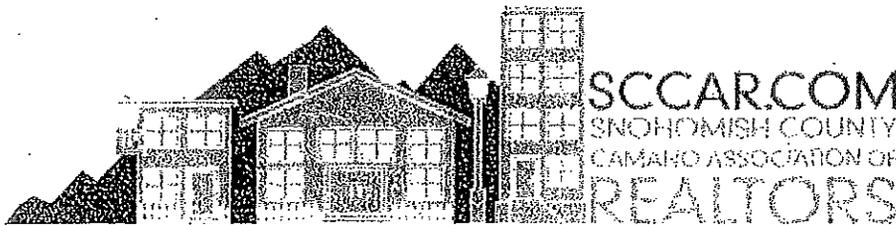
Sara,

I hope you and your team are having a great week. I am curious to know if you are planning to host another Market Update with Zillow for 2014. We really appreciated the opportunity to partner with your team and would love to participate in the event for 2014. Let me know your thoughts. I look forward to hearing from you.

Have a wonderful day.

Matthew Wahlquist
Executive Director
Snohomish County-Camano
Association of REALTORS®
(425) 339-1388
Matthew@SCCAR.com

MAKE YOUR MEMBERSHIP COUNT. GET INVOLVED.



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102 captures
3 Dec 10 - 21 Apr 15

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- Government Affairs
- Affiliates
- Get Involved
- Broker's Page
- YPN
- Consumers
- Home

3201 Broadway,
Suite E
Everett, WA 98201
425-339-
1386 (phone)
425-339-2454 (fax)

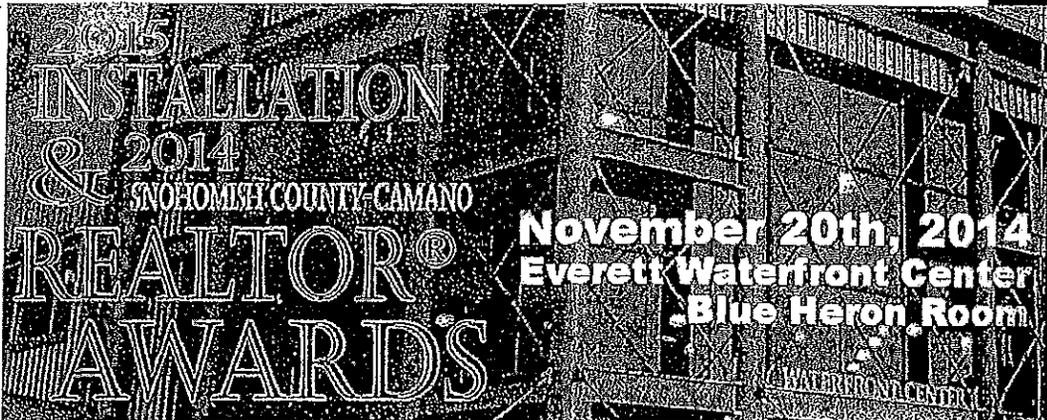
SCCAR.COM
Snohomish County-Camano
Association of REALTORS

Facebook

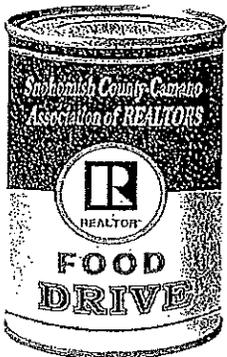


EVENTS

Installation and Awards - Save the Date!



REALTOR® Food Drive



Snohomish County-Camano
Association of REALTORS®

2014 FOOD DRIVE

October 1st - 31st, 2014

www.sccar.com/fooddrive

You CAN Make a Difference!

REALTOR® Food Drive - October 1st - 31st

www.sccar.com/fooddrive

Real Estate in the Puget Sound and Snohomish County: Economic Forecast for 2014 with Zillow

EXHIBIT B

13100 21st AVENUE
Waukegan, IL 60087

http://sccar.com

Go

JAN 30 DEC

Close X

102 captures
3 Dec 09, 25 Apr 15

Help ?

REALTOR BENEFITS

Real Estate in the Puget Sound and Snohomish County

Economic Forecast for 2015 with Zillow®

Snohomish County-Camano Association of Realtors®



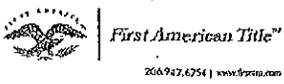
The Zillow brand has become one of the most familiar names associated with real estate. Dr. Krishna Rao, Ph.D, economist at Zillow, joined the company in the summer of 2013 after finishing a Ph.D. in Economics at Stanford University focused on Macroeconomics and Finance. Prior to Zillow, Krishna also worked at the Federal Reserve Bank of New York where he helped develop structural macroeconomic forecasting models to guide monetary policy. At Zillow, Krishna works on forecasting home prices, analyzing real estate market conditions and future market trends.

DATE: Thursday, October 16, 2014
TIME: Registration begins at 11:00 a.m.
ECONOMIC FORECAST
 11:30 a.m. - 1:00 p.m.
LOCATION: AMC Loew's Cineplex 16 Alderwood
 18733 33rd Avenue W
 Lynnwood, WA 98037
 Lunch will be served.
RSVP: Please save your seat and help us plan for lunch.
 Email cs.sno.co.wa@firstam.com
 or Call 425.551.4117

Krishna's presentation will give us insight for current market conditions and what we can expect for housing in our area next year.

PRESENTER: DR. KRISHNA RAO, PH.D
ZILLOW ECONOMIST

This event is complimentary and is sponsored by First American Title



First American Title, Insurance Company and the operating divisions thereof are not responsible for any loss or damage to property resulting from information provided and assume no liability for such loss or damage. First American Title, the logo and the operating divisions thereof are trademarks of First American Financial Corporation and its affiliates. WA 08/2014

REALTOR BENEFITS

Technology Helpline
 TechHelpline
 Your personal tech support team

The Tech Helpline is a member benefit offering support for hardware, software, networking, and digital devices. The best part is you have the choice of contacting their friendly and knowledgeable analysts via phone, fax, email, or online chat. They will troubleshoot problems and offer solutions, often by remoting in to your computer. They will advise you on hardware and software purchasing, and most importantly, they understand your needs as a REALTOR®.

1-866-610-8939

SCCAR SOCIAL MEDIA

SCCAR Social Media

Wayback Machine
 102 captures
 1 Dec 05 - 25 Apr 16
 http://sccar.com/ (Go) JAN 2013 SEP 2014 DEC
 Close X Help ?

- 
 Realtor® Night at the Aquasox. The ladies of the Board are having a blast, however they were photo bombed by Pee...
<fb.me/1N1keBTl>
- 
 SCCAR @SnoCo_Realtors 22 Jul
 Existing-Home Sales Rise in June as Home Prices Surpass July 2006 Peak
<fb.me/toglkdAA>
 Show Summary
- 
 SCCAR @SnoCo_Realtors 16 Jul
 Purchase tickets online at sccar.com/baseball <fb.me/7MmGhc3rf>
- 
 SCCAR @SnoCo_Realtors 14 Jul
 NAR Call for Action: Protect the Real Estate Industry from Frivolous Lawsuits
bit.ly/1CCyW0i <fb.me/4KipmDV0t>
- 
 SCCAR @SnoCo_Realtors 9 Jul
 Last chance to register for this FREE webinar about new TILA/RESPA rules and changes going into effect. The...
<fb.me/2InUrrzhb>
- 
 SCCAR @SnoCo_Realtors 7 Jul
 Best Practices for Choosing REALTOR® Champions for Your Business
 Tweet to @SnoCo_Realtors

SCCAR® Class Schedule

Friday, October 24, 2014 - Foreclosure Fairness Act (FFA) for Real Estate Professionals
 The Foreclosure Fairness Act (FFA) is arguably the most powerful piece of legislation passed by any state during the recession. It is designed to protect mortgage holders that are trying to work out solutions to avoid foreclosure. Understandi... [click here for more info]

Wednesday, October 29, 2014 - Water Rights & Water Supply Issues for REALTORS®
 This class focuses on water rights and water supply issues involved in real estate transactions and development projects, an increasingly complex issue in both urban and rural areas. The existing Seller's Disclosure Form, which includes a numbe... [click here for more info]

Thursday, November 06, 2014 - Making Use of Title Insurance as a Tool!
 A deep dive look at Title Insurance from an Attorney's prospective that has represented claims for buyers and also defended against them. What are the d... [click here for more info]

From: Kindinger, Jerry
Sent: Monday, November 2, 2015 2:09 PM
To: 'Stickler, Marcia (OIC)' <MarciaS@OIC.WA.GOV>
Subject: FW: First American Title Ins.--Order No. 15-0166

Marcia,

Welcome back! As promised during our tc this afternoon, below is the email exchange I had with Chuck Brown concerning the above matter, the declarations we sent to the Department and the manner of dealing with both during your medical leave. Additionally, I reaffirm my invitation/suggestion to you, that exploring an informal amicable resolution may be now be cost effective, given the circumstances and substance of the declarations previously sent. I expect that our client would welcome this opportunity. Let me know whether the Department has any interest in doing so. Thanks and best regards.

Jerry

Jerry Kindinger
Member
Ryan, Swanson & Cleveland, PLLC
1201 Third Avenue, Suite 3400 | Seattle WA 98101-3034
Direct 206.654.2216 | Direct Fax 206.652.2916
kindinger@ryanlaw.com | www.ryanswansonlaw.com
[Biography](#) | [vCard](#)



From: Kindinger, Jerry
Sent: Monday, September 14, 2015 5:06 PM
To: 'Brown, Charles (OIC)'
Subject: RE: First American Title Ins.--Order No. 15-0166

First American Title Ins. Co.
Docket No. 15-0166
Exh. 25

EXHIBIT FA-25

Chuck,

Thanks for reviewing the materials we sent you and for expressing an understandable concern that Marcia be given an opportunity to review the materials and provide her input. That is certainly acceptable to us. We will wait to hear from the Department how we and our client might best explore resolution of this matter. Meanwhile we wish Marcia a speedy and complete recovery. Best regards.

Jerry

Jerry Kindinger

Member

Ryan, Swanson & Cleveland, PLLC

1201 Third Avenue, Suite 3400 | Seattle WA 98101-3034

Direct 206.654.2216 | Direct Fax 206.652.2916

kindinger@ryanlaw.com | www.ryanswansonlaw.com

[Biography](#) | [vCard](#)



From: Brown, Charles (OIC) [<mailto:CharlesB@OIC.WA.GOV>]

Sent: Monday, September 14, 2015 4:58 PM

To: Kindinger, Jerry

Subject: RE: First American Title Ins.--Order No. 15-0166

Jerry,

Thank you for the new information. It will take the agency some time to consider it. I would like Marcia to have the opportunity to review it and provide her input on whether it justifies taking the matter back to the compliance committee. She may be out for several more weeks or more. In the meantime, I am not aware of any deadline facing your client with respect to a hearing if the matter cannot be resolved by agreement.

Thank you,

Chuck

From: Kindinger, Jerry [<mailto:Kindinger@ryanlaw.com>]

Sent: Wednesday, September 09, 2015 5:06 PM

To: Brown, Charles (OIC)

Subject: FW: First American Title Ins.--Order No. 15-0166

Chuck,

Thanks for your call this afternoon. Below is the email I sent Marcia last Friday. Above are the declarations which I attached. I appreciate your taking a look at this. Best regards.

Jerry

Jerry Kindinger

Member

Ryan, Swanson & Cleveland, PLLC
1201 Third Avenue, Suite 3400 | Seattle WA 98101-3034
Direct 206.654.2216 | Direct Fax 206.652.2916
kindinger@ryanlaw.com | www.ryanswansonlaw.com
[Biography](#) | [vCard](#)



From: Kindinger, Jerry
Sent: Friday, September 04, 2015 4:30 PM
To: 'Stickler, Marcia (OIC)'
Subject: First American Title Ins.--Order No. 15-0166

Marcia,

Attached are declarations of Matthew Wahlquist and Ryan Mc Irvin from Snohomish County Camano Association of Realtors. These declarations seem to materially contradict several statements made in the Department's settlement offer contained in the unsigned Consent Order Levying a Fine against First American Title Insurance Company. Once you have had an opportunity to review these declarations we would like to discuss with you the most constructive way to jointly work toward a mutually acceptable resolution of this matter. Please advise when we might do that. Thanks and best regards.

Jerry

Jerry Kindinger

Member

Ryan, Swanson & Cleveland, PLLC
1201 Third Avenue, Suite 3400 | Seattle WA 98101-3034
Direct 206.654.2216 | Direct Fax 206.652.2916
kindinger@ryanlaw.com | www.ryanswansonlaw.com
[Biography](#) | [vCard](#)



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at (206) 464-4224.

BEFORE THE STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

RECEIVED
DEC 18 2015

Ryan, Swanson
& Cleveland, PLLC

In the Matter of

First American Title Insurance
Company,

Authorized Title Insurer.

Order No. 15-0166

WAOIC No. 461

NAIC No. 50814

NOTICE OF REQUEST FOR
HEARING FOR IMPOSITION
OF FINE

TO: Jerry Kindinger, Counsel, First American Title Insurance Company
Ryan, Swanson & Cleveland PLLC
1201 Third Avenue Suite 3400
Seattle, WA 98101-3034

The Washington State Office of the Insurance Commissioner ("Insurance Commissioner") has requested that a hearing be set in this matter by the Insurance Commissioner's Hearings Unit.

A. BASIS

1. First American Title Insurance Company ("First American") is an authorized title insurer domiciled in Nebraska and duly authorized to engage in the business of title insurance in the state of Washington since January 2, 1969.

2. First American was approached by the Snohomish County Camano Association of Realtors ("SCCAR") in 2014 and requested that it once again sponsor a real estate "Economic Forecast" presentation by an economist from Zillow® on October 16, 2014. First American had approached SCCAR to cosponsor the same event in 2013. Zillow® does not charge for this presentation. First American would take care of all of the planning and execution of the event,

NOTICE OF REQUEST FOR HEARING
FOR IMPOSITION OF FINE
ORDER NO. 15-0166

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Office of Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

1229571 - LA2

First American Title Ins. Co.
Docket No. 15-0166
Exh. 26

EXHIBIT FA-26

but it would technically be a "trade association event" under WAC 284-29-220. First American arranged to have a mortgage lender, Cobalt Mortgage, bring in and pay for lunch. According to Senior Operations Counsel for First American, a member of First American's marketing team created the flyer with its logo affixed, and sent it to SCCAR for addition of its logo and distribution. First American Sales Manager Sara Christensen, who secured the venue, arranged for the speaker and got Cobalt to pay for lunch, told the Insurance Commissioner investigator that SCCAR created the flyer, but that she sent the flyer to her "customers," as well.

3. A total of 270 members of SCCAR attended the presentation, none of whom were affiliate members that are competitors of First American. Trade association events involving title companies are limited by WAC 284-29-220. Title company-sponsored educational seminars are also governed by WAC 284-29-235.

4. One of the employees of an affiliate member, Ruth Hopkins, a manager at Old Republic Title ("Old Republic"), a First American competitor, came across the flyer advertising the event on First American's Facebook page. She contacted SCCAR to find out whether this was an association event or a First American event, and why Old Republic was unaware of the event. SCCAR Director Matthew Wahlquist told her that this was a private, closed event not open to the entire membership, orchestrated entirely by First American. He further told her that SCCAR had no control over who was invited to the event. Ms. Hopkins specified that Mr. Wahlquist told her that First American had approached SCCAR to sponsor the event. Ms. Hopkins retired from Old Republic soon thereafter.

5. Another Old Republic employee then made a complaint to the Insurance Commissioner, citing violations of the title insurance rules in WAC 284-29. The gist of his complaint was that First American used SCCAR to disguise their own event as a trade association event, a violation of WAC 284-29-200(6). Had it been offered as a free event sponsored by First American alone, it would have had to have been restricted to education regarding title insurance, title to real property, or escrow topics. This economic forecast information seminar could not have been properly given by First American alone without charging attendees for it. First American confirmed to the Insurance Commissioner investigator that it had put on a similar SCCAR event in 2013.

6. Governmental Affairs Director for SCCAR, Ryan McIrvin, told the Insurance Commissioner investigator that First American had approached SCCAR to sponsor the event, but did not specify whether it was for the 2013 event, or the 2014 event. He stated that SCCAR's only role was to distribute the flyer created by Ms. Christensen to its active members, presumably including affiliate members that are First American's competitors. He noted that SCCAR had no contacts at Zillow®. Notwithstanding, Mr. Wahlquist told the Insurance Commissioner investigator that it was he who approached First American to sponsor the 2014 event, as the 2013 event had been a success.

7. After First American retained attorneys, both Mr. Wahlquist and Mr. McIrvin denied having told the Insurance Commissioner investigator and Ms. Hopkins that the event was limited to certain attendees at First American's behest and was put on entirely by First American.

8. The attendee list provided to the Insurance Commissioner by First American confirmed that of the 270 attendees, the only affiliate members who attended the event were those that could also bring title insurance business to First American, mortgage lenders and homebuilders. According to SCCAR's membership rules, people who are not real estate licensees are only eligible for affiliate membership status.

9. When requested by the Insurance Commissioner investigator, First American reported that the total employee time used to put on the event was fewer than three hours. First American would not elaborate further nor remit any documentation of names, salaries or other expenses incurred other than the bill for the venue showing an \$875 rental fee.

10. First American is limited to a contribution of \$1,000 per event with a trade organization. Even if the First American event had been a legitimate trade organization function, it exceeded the contribution limit since it refused to add to the \$875 venue rental cost to the value of its employee time used in coordinating with Zillow®, finding a cosponsor for the lunch, creating the flyer, arranging for the venue, etc., as required by WAC 284-29-235(4). Documentation of compliance is required to be kept and shared with the Insurance Commissioner under WAC 284-29-265.

B. PENALTIES AND RELIEF REQUESTED

The Insurance Commissioner seeks to impose a fine against First American Title Insurance Company in the amount authorized by law for the following violations:

1. RCW 48.29.210(2) states that a title insurer, title insurance agent, or employee, agent, or other representative of a title insurer or title insurance agent shall not, directly or indirectly, give anything of value to any person in a position to refer or influence the referral of title insurance business to either the title insurance company or title insurance agent, or both, *except as permitted under rules adopted by the commissioner*. [Emphasis added]. That is, if the thing of value is not given in strict compliance with the regulations, it is given in violation of the statute.

2. WAC 284-29-200(6) states that title companies must not enter into any agreement, arrangement, scheme, or understanding or in any other manner pursue any course of conduct, designed to avoid RCW 48.29.210 and WAC 284-29-200 through 284-29-265. First American's arrangement with SCCAR violated this regulation.

3. WAC 284-29-220(2) states that a title company may donate to, contribute to or otherwise sponsor a trade association event only if all of the following conditions are met:

- (a) The event is a recognized association event that generally benefits all members and affiliated members of the association in an equal manner;
- (b) The donation must not benefit a selected producer member of the association unless through a random process; and
- (c) Solicitation for the donation must be made of all association members and affiliated members in an equal manner and amount.

By excluding some affiliate members from the event, First American violated this regulation.

4. WAC 284-29-235 states that (1) A title company may conduct educational programs at no charge only if the content of the program consists solely of education regarding title insurance, title to real property, and escrow topics; (3) A title company may sponsor an educational seminar of a trade association subject to the limits in WAC 284-29-220; (4) A title company may sponsor an

educational program on topics other than title insurance, title to real property, and escrow only if: (a) The educational program is open to all producers; and (b) The attendees actually pay to attend the program the greater of: (i) All expenses and costs associated with the delivery of the educational program by the title company; or (ii) What the attendee would pay to attend a similar seminar sponsored by entities other than title companies on the open market. The calculation by the title company of the expenses and costs associated with the delivery of the education program must include, but not be limited to, all travel, refreshments, speaker fees or wages of the speaker, facility rental, preparation of materials distributed at the program, parking, advertisement, and wages of arranging and planning for the program. By giving an educational seminar without cost on subjects other than solely about title insurance, title to real property, and escrow topics, First American violated this regulation.

5. WAC 284-29-265 states that (1) A title company must keep and maintain complete, accurate, and sufficient records to demonstrate compliance with WAC 284-29-200 through this section and keep them for a period of five years after the end of the year during which any thing of value was given to a producer; (2) All records of a title company kept in order to meet the terms of WAC 284-29-200 through this section must be made available to the commissioner or the commissioner's representative during regular business hours; (3) Failure of the title company to keep the records required by WAC 284-29-200 through this section is a violation of RCW 48.29.210. By failing to have records demonstrating compliance with WAC 284-29 available to the Insurance Commissioner, First American violated this regulation.

6. Pursuant to RCW 48.110.120(2), the Insurance Commissioner is authorized to initiate a hearing pursuant to RCW 48.04.050 or take actions described in RCW 48.02.080, including the issuance of a cease and desist order. In addition, pursuant to RCW 48.15.023 and RCW 48.17.063, the Insurance Commissioner may also take further steps, including the imposition of a civil penalty of not more than \$25,000 for each violation of RCW 48.15.020 or RCW 48.17.060.

7. The Insurance Commissioner requests that First American Title Insurance Company be ordered to pay a fine in the amount of \$100,000.00 (One Hundred Thousand Dollars) to the Insurance Commissioner's office within thirty days of the entry of the Order.

NOTICE OF REQUEST FOR HEARING
FOR IMPOSITION OF FINE
ORDER NO. 15-0166

5

Office of Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

1229571 - LA2

C. NOTICE OF HEARING

1. The Insurance Commissioner requests that a hearing be held to consider the above-referenced basis, penalties, and relief requested.

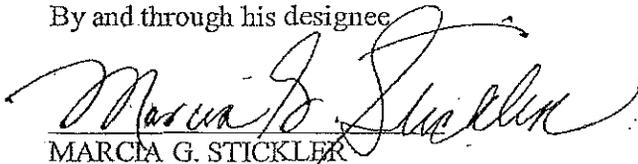
2. The Insurance Commissioner will participate in this matter through his designated representative, Marcia G. Stickler, Insurance Enforcement Specialist, P.O. Box 40255, Olympia, Washington, 98504-0255, MarciaM@oic.wa.gov, (360) 725-7048.

Dated at Tumwater, Washington, this 15th day of December 2015.



MIKE KREIDLER
Insurance Commissioner

By and through his designee



MARCIA G. STICKLER
Insurance Enforcement Specialist
Legal Affairs Division

CERTIFICATE OF MAILING

The undersigned certifies under the penalty of perjury under the laws of the state of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the state of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be filed and served the foregoing Notice of Request for Hearing for Imposition of Fine on the following individuals in the manner indicated:

Via Hand Delivery

William Pardee, Presiding Hearings Officer
Washington State Insurance Commissioner
5000 Capitol Blvd
Tumwater, Washington

U.S. Mail Via State Consolidated Mail Service With Proper Postage Affixed

Jerry Kindinger
Ryan, Swanson & Cleveland PLLC
1201 Third Avenue Suite 3400
Seattle, WA 98101-3034

Dated this 15th day of December, 2015, in Tumwater, Washington.



JOSH PACE

Secretary Senior
Legal Affairs Division

NOTICE OF REQUEST FOR HEARING
FOR IMPOSITION OF FINE
ORDER NO. 15-0166

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Office of Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

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BEFORE THE STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of

FIRST AMERICAN TITLE INSURANCE
COMPANY,

Authorized Title Insurer.

ORDER NO. 15-0166

WAOIC No. 461
NAIC No. 50814

**DECLARATION OF JAYME
TOOZE**

I, Jayme Tooze, declare as follows:

1. I am competent to testify and make the following statements based upon my own personal first-hand information and knowledge. If called to testify I would repeat and affirm each and every statement herein made.

2. I have been employed by First American Title Insurance Company full-time for three (3) years and five (5) months as a graphic designer at the Company's offices in Scottsdale, Arizona.

3. In August of 2014 I was requested to provide some edits to a word document given to me which was a Snohomish County-Camano Association of Realtors ("SCCAR") flyer announcing a trade association event that it held on October 16, 2014. The edits I provided were minimal. I added the date, time and location of the event to the document I was given. This work comprised cutting and pasting of information apparently from a prior SCCAR event. I also added a photo and a brief description about the Zillow economist who

DECLARATION OF JAYME TOOZE - 1



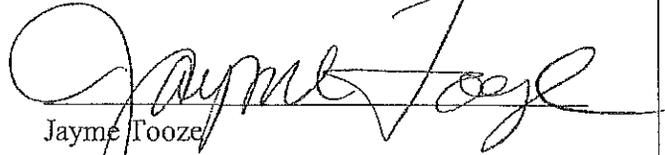
1 spoke at the event. This appeared on SCCAR's website and flyer.

2 4. The total time I spent in making these edits was less than forty-five (45)
3 minutes in total. At the time that I made these edits, my rate of pay was \$19.57 per hour.
4 Attached as Exhibit A is a Company pay record confirming my rate of pay at the time in
5 question.

6 5. Except as stated above, I was not involved in the 2014 SCCAR event in any
7 other way. I have not been involved in any other SCCAR event.

8 I declare under penalty of perjury under the laws of the State of Washington and the
9 laws of the United States that the foregoing is true and correct.

10 DATED this 8th day of March, 2016 at Scottsdale, Arizona.

11
12 
13 Jayme Tooze
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Pay Statement

This is a statement of earnings and deductions. This pay statement is non-negotiable.

 First American		First American Title Insurance Co 1 First American Way Santa Ana, CA 92707 866-908-6962		Pay Statement Period Start Date 08/10/2014 Period End Date 08/23/2014 Pay Date 08/29/2014 Document 23460805 Net Pay \$1,183.34		
Pay Details						
JAYME FRANCES TOOZE 10371 E. VOLTAIRE AVE. SCOTTSDALE, AZ 85260 USA		Employee Number 205606 SSN xxx-xx-xxxx Job Designer, Graphics Pay Rate \$19.57 Pay Frequency Biweekly	Pay Group First American Location W:9000 E. Pima Center Cost Center 018595 - 1001.11397 Office DIAD1 - DI Division Admin Business DID - Direct Division GL Chart ID D - Oracle Santa Ana	Federal Income Tax S1 AZ State Income Tax (Residence) B0 AZ State Income Tax (Work) B0		
Earnings			Deductions			
Pay Type	Hours	Pay Rate	Current	YTD	Employee	
GTL	0.0000	\$0.0000	\$0.00		Deduction	Pre-Tax
Holiday	0.0000	\$0.0000	\$0.00			Current
ER HSA Contrib	0.0000	\$0.0000	\$0.00			YTD
PTO	1.0000	\$19.5708	\$19.57			
Regular Pay	79.0000	\$19.5708	\$1,546.09			
Total Hours	80.0000					
			Taxes			
			Taxes	Wages Current	Wages YTD	Current
						YTD
Paid Time Off			Net Pay Distribution			
Plan	Current	Balance	Account Number	Account Type	Amount	
Pay Summary						
	Gross	FIT Taxable Wages	Taxes	Deductions	Net Pay	

Originally printed in English

1
2 **BEFORE THE STATE OF WASHINGTON**
3 **OFFICE OF THE INSURANCE COMMISSIONER**

4 *In the Matter of*

5 FIRST AMERICAN TITLE
6 INSURANCE COMPANY,

7 Authorized Title Insurer.

Docket No. 15-0166

WA OIC# 461

NAIC NO. 50814

OIC'S ANSWERS AND RESPONSES TO
FIRST INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF
DOCUMENTS OF FIRST AMERICAN
TITLE INSURANCE COMPANY

10
11
12 **INTERROGATORIES AND REQUESTS FOR PRODUCTION**

13 **INTERROGATORY NO. 1:** Identify each person who participated in or
14 provided information used in answering these discovery requests.

15 **ANSWER:** Marcia Stickler and Renee Molnes.

16 **INTERROGATORY NO. 2:** Identify each and every person employed by or on
17 behalf of the OIC who participated in any aspect of the OIC investigation or
18 decision to assess a fine against First American and briefly describe the role of
19 each such person.

20 **ANSWER:** Barry Walden, OIC Investigator. Mr. Walden investigated the
21 complaint against First American; Mark Durphy, Investigations Manager. Mr.
22 Durphy reviewed Mr. Walden's investigation and referred the matter for
enforcement; and Marcia Sticker, Insurance Enforcement Specialist, prepared
the memo for the Compliance Committee and presented the matter there. She
drafted the request for hearing and spoke briefly with complainant Chris
Schulz.

23 **INTERROGATORY NO. 3:** Identify what person or persons at the OIC made
24 the decision to assess a \$100,000 fine against First American.

25 **ANSWER:** Marta DeLeon, AnnaLisa Gellermann, John Hamje, Molly Nollette,
26 Jason Siems, Steve Valandra, and Jim Odiorne,

1 **INTERROGATORY NO. 4:** Describe in detail how the OIC determined the
2 amount of the fine for the alleged WAC violations contained in the Notice of
Hearing and in connection therewith:

- 3 a. Identify every person who participated in this determination;
4 b. The dates of their participation; and
5 c. The methodology, if any, by which the amount of the fine was determined.

6 **ANSWER:** a) Marta DeLeon, AnnaLisa Gellermann, John Hamje, Molly Nollette,
7 Jason Siems, Steve Valandra, and Jim Odiome; b) June 30, 2015; c) Consistency
8 with other enforcement actions; Impact of violations — on consumers, on
9 marketplace, etc. — frequency, severity, extent of violations — extent to which a
10 violator gained a competitive advantage through the violation(s); Prior conduct of
11 company; Statutory maximums/minimums; Whether violations were
12 intentional/grossly negligent/negligent, etc.; Whether the enforcement action
13 contemplated is likely to be viewed by respected elements of the industry, when all
14 facts are known, as reasonable; Financial stability of the company; Policy
15 implications; Company's cooperation with regulators — for example, did company
16 bring problem to regulator's attention; what is company's commitment to
17 compliance and what demonstrated steps has it taken toward achieving compliance;
18 did company tell regulators the truth about a situation during the investigative phase
or at the time of the occurrence; Cost to agency of investigation and enforcement
19 action

20 **INTERROGATORY NO. 5:** State each and every fact upon which you base
21 your allegation that First American entered into an "agreement, arrangement,
22 scheme...designed to avoid RCW 48.29.210 and WAC 284-29-200, and in
connection therewith identify:

- 23 a. Every person having knowledge of such facts; and
24 b. All documents that you contend supports this allegation.

25 **ANSWER:** The Commissioner objects to this interrogatory on the basis that it
26 requests information that requires the Commissioner to render a legal conclusion,

1 constitutes an impermissible invasion of the opinions, mental impressions and
2 theories of counsel, and requires the Commissioner to put on a dress rehearsal for
3 the hearing. See *Webb v. Biddle*, 72 Wn.2d 22, 431 P.2d 705 (1967). The
4 Commissioner also objects to this interrogatory on the basis that the request for the
5 Commissioner to "state each and every fact" is ambiguous, vague, unreasonably
6 broad and unduly burdensome. See e.g., *Steil v. Humana Kansas City, Inc.*, 197
7 F.R.D. 445 (D. Kan. 2000); *Safeco of America v. Rawston*, 181 F.R.D. 441, 447 (C.
8 D. Cal. 1998); *Lawrence v. First Kansas Bank & Trust Co.*, 169 F.R.D. 657, 663
9 (D. Kan. 1996).

7 **REQUEST FOR PRODUCTION NO. 1:** Produce all documents in any way
8 related to the subject matter of the Interrogatory immediately above.

9 **RESPONSE:** Undated Jim Tompkins email – Exhibit 1D to OIC investigative
10 file previously provided.

11 **INTERROGATORY NO. 6:** State each and every fact upon which you base
12 your allegation in paragraph A2 of the Notice of Hearing that "First American
13 would take care of all planning and execution of the event but it would be
14 technically a 'trade association event' under WAC 284-29-220."

15 **ANSWER:** The Commissioner objects to this interrogatory on the basis that it
16 requests information that requires the Commissioner to render a legal conclusion,
17 constitutes an impermissible invasion of the opinions, mental impressions and
18 theories of counsel, and requires the Commissioner to put on a dress rehearsal for
19 the hearing. See *Webb v. Biddle*, 72 Wn.2d 22, 431 P.2d 705 (1967). The
20 Commissioner also objects to this interrogatory on the basis that the request for the
21 Commissioner to "state each and every fact" is ambiguous, vague, unreasonably
22 broad and unduly burdensome. See e.g., *Steil v. Humana Kansas City, Inc.*, 197
23 F.R.D. 445 (D. Kan. 2000); *Safeco of America v. Rawston*, 181 F.R.D. 441, 447
24 (C.D. Cal. 1998); *Lawrence v. First Kansas Bank & Trust Co.*, 169 F.R.D. 657, 663
25 (D. Kan. 1996).

22 **INTERROGATORY NO. 7:** Identify every person having information in
23 support of the allegations quoted in the Interrogatory immediately above.

24 **ANSWER:** Matthew Wahlquist, Ryan McIrvine, Ruth Hopkins, Sara Christensen,
25 Chris Schulz, Earl Schmidt, and Barry Walden.

1 **REQUEST FOR PRODUCTION NO. 2:** Produce all documents and records
2 in any way related to the allegations contained in the Interrogatory next above.

3 **RESPONSE:** Included in OIC Discovery produced on July 28, 2015.
4

5 **INTERROGATORY NO. 8:** In connection with the allegations in paragraph
6 B3 in the Notice of Request for Hearing, identify each and every affiliate
7 member you contend was excluded from the subject event.

8 **ANSWER:** All affiliate members of SSCAR that were competitors with FATIC.
9 The Commissioner does not contend that some affiliate members of SSCAR would
10 have been "excluded," had they shown up at the event, but that individual
11 invitations were not sent to them if they were a competitor with FATIC, including
12 Old Republic Title in Everett. The attendee list does not indicate that any
13 competitors of FATIC attended.

14 **REQUEST FOR PRODUCTION NO. 3:** Produce all documents which you
15 contend supports the allegation referenced in the Interrogatory next above.

16 **RESPONSE:** Included in OIC Discovery produced on July 28, 2015.
17

18 **INTERROGATORY NO. 9:** Identify the specific statutory authority or
19 regulation which you claim authorizes the OIC to assess \$100,000 fine in
20 connection with this proceeding.

21 **ANSWER:** RCW 48.29.210 prohibits the giving of anything of value to a producer
22 of title insurance business except as permitted under rules adopted by the
23 Commissioner. The OIC alleges that FATIC gave 270 producers of title insurance
24 business an educational seminar not in keeping with the rules in WAC 284-29. As
25 such, FATIC is subject to RCW 48.05.140 and RCW 48.05.185. A sanction is
26 permitted under RCW 48.05.140 if the insurer "fails to comply with *any* provision
of this code." RCW 48.05.185 allows a fine of between \$250 and \$10,000 for such
failure, in lieu of or in addition to other sanctions. Since a single occurrence of a
rule violation justifies suspension or revocation, and the ability to suspend or revoke
justifies a \$250-\$10,000 fine, each occurrence of a violation justifies an individual
fine of \$250 to \$10,000. This interpretation is entitled to deference as the OIC

1 administers the statutes involved. *Bailey v. Allstate*, 73 Wn. App, 442, 447 (1994);
2 also *Port of Seattle v. Pollution Control Board*, 151 Wn.2d 568, 612 (2004).

3 FATIC is not subject to double jeopardy. The scope of the violation, as
4 defined by the Legislature is considered a unit of prosecution. Although FATIC is
5 alleged to have given just one unauthorized educational seminar, each attendee
6 receiving the free class was given a thing of value not in keeping with the
7 regulations. The unit of prosecution then, is each producer of title insurance that
8 wrongly was given the seminar. *State v. Reeder*, No. 90577-1, December 17, 2015.
9 Thus, the maximum fine could have been \$2,700,000.

10 **INTERROGATORY NO. 10:** Identify all fines assessed by the OIC since 2008
11 for alleged violations of WAC 284-29-200 through WAC 284-29-265, and as to
12 each list:

- 13 a. The proceeding or cause number;
14 b. The date the fine was assessed; and
15 c. The amount of the fine.

16 **ANSWER:** Inasmuch as administrative orders do not have precedential value and
17 are decided on a case-by-case basis, the Commissioner objects to this interrogatory
18 as irrelevant and not reasonably calculated to lead to the discovery of admissible
19 evidence. The Commissioner also objects because Respondent seeks
20 information that is as available to Respondent as to the Commissioner on the OIC
21 website. See *Snohomish County Public Transportation Benefit Area v. The Public
22 Employment Relations Commission et al.*, 173 Wn. App. 504 (2013)

23 **INTERROGATORY NO. 11:** Identify all fines assessed by the OIC since
24 2008 for alleged violations of RCW 48.29.210 and list:

- 25 d. The proceeding or cause number;
26 e. The date the fine was assessed; and
f. The amount of the fine.

ANSWER: Inasmuch as administrative orders do not have precedential value and
are decided on a case-by-case basis, the Commissioner objects to this interrogatory
as irrelevant and not reasonably calculated to lead to the discovery of admissible

1 evidence. The Commissioner also objects because Respondent seeks information
2 that is as available to Respondent as to the Commissioner on the OIC website. See
3 *Snohomish County Public Transportation Benefit Area v. The Public Employment
Relations Commission et al*, 173 Wn. App. 504 (2013)

4 **INTERROGATORY NO. 12:** Identify each and every person whom you believe
5 to have any information pertaining to the allegations contained in the notice of
6 hearing in this matter and as to each identify for which allegation or allegations
you believe they have knowledge.

7 **ANSWER:** The Commissioner objects to this interrogatory on the basis that it
8 is vague, ambiguous, calls for speculation and improperly asks the
9 Commissioner to testify to the personal knowledge of other individuals.
10 Without waiving such said objection, the Commissioner's response is: Ruth
Hopkins, Chris Shulz, Jim Tompkins, Barry Walden, Jim Fetzer, Ryan McIrvin,
11 Matthew Wahlquist, Earl Schmidt, and Sara Christensen. See OIC Investigation
Report previously provided.

12 **INTERROGATORY NO. 13:** Identify all persons which the OIC may call as
13 witnesses at the hearing in this matter.

14 **ANSWER:** Ruth Hopkins, Chris Shulz, Jim Tompkins, Barry Walden, Jim
15 Fetzer, Ryan McIrvin, Matthew Wahlquist, Sara Christensen, and Earl Schmidt.

16 **REQUEST FOR PRODUCTION NO. 4:** Please produce all correspondence or
17 written communications of any kind including without limitation email to and
18 from and/or between anyone at the OIC in any way related to the subject matter
of this proceeding.

19 **RESPONSE:** Included in OIC discovery materials produced on July 28, 2015.

20 **REQUEST FOR PRODUCTION NO. 5:** Produce all notes, memorandum,
21 correspondence and emails or other communications or records of any kind
22 between anyone on behalf of OIC and anyone on behalf of First American, in
any way related to the subject matter of this proceeding.

23 **RESPONSE:** Included in OIC Discovery produced on July 28, 2015.

24 **REQUEST FOR PRODUCTION NO. 6:** Produce any time records made or
25 maintained by any OIC employee in any way showing time expended in any
26

1 way related to the subject matter of this proceeding and which shows time spent
2 by each such employee and the dates and description of what work was done
and when.

3 **RESPONSE:** The Commissioner objects to this interrogatory because it seeks
4 information that is not relevant and is not reasonably calculated to lead to the
5 discovery of admissible evidence. Without waiving such objection, the
6 Commissioner responds that he does keep employee time records that show
hours worked each day. The time record does not indicate subject matter
worked on. The Commissioner has no such records concerning this matter.

7
8 **REQUEST FOR PRODUCTION NO. 7:** Produce all written communications of
any form made by any OIC employee within the last five (5) years relating to
9 interpretation of WAC 284-29-200 through WAC 284-29-265.

10 **RESPONSE:** The OIC website has a section devoted to Frequently Asked
11 Questions about the title insurance inducement regulations. See
www.insurance.wa.gov/for-producers/title-insurance/inducement-rules.
12

13 **REQUEST FOR PRODUCTION NO. 8:** Produce all information published
by the OIC within the last five (5) years pertaining to interpretation of WAC
14 284-29-200 through WAC 284-29-265.

15 **RESPONSE:** The OIC website has a section devoted to Frequently Asked
16 Questions about the inducement regulations. See www.insurance.wa.gov/for-
producers/title-insurance/inducement-rules.
17

18 **REQUEST FOR PRODUCTION NO. 9:** Produce all information published
by the OIC within the last five (5) years pertaining to interpretation of RCW
19 48.29.210.

20 **RESPONSE:** There are no OIC publications of which we are aware that have
21 interpreted RCW 48.29.210 within the last five years.

22 **REQUEST FOR PRODUCTION NO. 10:** Produce all orders issued by
23 the OIC since 2008 assessing fines for violations of RCW 48.29.210

24
25 **RESPONSE:** Inasmuch as administrative orders do not have precedential value
and are decided on a case-by-case basis, the Commissioner objects to this
26 interrogatory as irrelevant and not reasonably calculated to lead to the discovery

1 of admissible evidence. The Commissioner also objects because Respondent
2 seeks information that is as available to Respondent as to the Commissioner on the
OIC website.

3 **REQUEST FOR PRODUCTION NO. 11:** Produce all orders issued by the OIC
4 since 2008 assessing any fines for violations of WAC 284-29-200 through WAC
5 284-29-265.

6 **RESPONSE:** Inasmuch as administrative orders do not have precedential value
7 and are decided on a case-by-case basis, the Commissioner objects to this
8 interrogatory as irrelevant and not reasonably calculated to lead to the discovery
9 of admissible evidence. The Commissioner also objects because Respondent
10 seeks information that is as available to Respondent as to the Commissioner on the
11 OIC website.

12 **REQUEST FOR PRODUCTION NO. 12:** Produce any other writings, records,
13 notes and communications in any way related to the subject matter of these
14 proceedings not previously produced in response to the requests above.

15 **RESPONSE:** Additional material is attached.

16 ANSWERS AND RESPONSES DATED this 20th day of January, 2016.

17 

18 MIKE KREIDLER
19 Insurance Commissioner

20 By and through his designee

21 

22 MARCIA G. STICKLER
23 Insurance Enforcement Specialist
24 Legal Affairs Division

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STATE OF WASHINGTON)
)
COUNTY OF THURSTON) ss.

Marcia G. Stickler, being first duly sworn, on oath deposes and says: That she is the designated representative of the Office of the Insurance Commissioner herein, has made the foregoing Answers to Interrogatories and Requests for Production, knows the contents thereof and believes same to be true and complete.

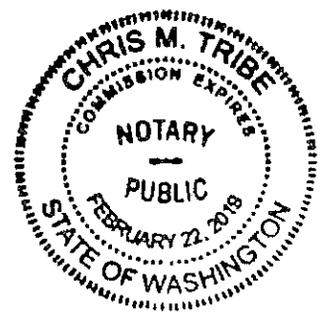
Marcia G. Stickler

SUBSCRIBED AND SWORN to before me this 20th day of January, 2016.

Chris M. Tribe
(Print Name)

NOTARY PUBLIC in and for the State of Washington

My Appointment Expires February 22, 2019



State of Washington
Office of Insurance Commissioner
Legal Affairs Division



Memorandum of Interview

Date: November 16, 2015

OIG Case #: 1229571

Person Interviewed: Ruth Hopkins

Investigator Conducting Interview: Barry M. Walden

Others Present During Interview: None

Location of Interview: Phone # 425-508-4397

Interview Audio Recorded: Yes

Declaration Prepared: Yes

On the above date, Old Republic Title Company sales manager Ruth Hopkins was interviewed by phone. She told OIC that a co-worker directed her the FATCO Facebook page which posted a free economic forecast event co-sponsored by FATCO, SCCAR, and Zillow. She said wondered why Old Republic was not invited and called SCCAR director Mathew Wahlquist. She said Wahlquist told her that it was closed private event put on by FATCO. She said that Wahlquist told her that FATCO approached them about the event, they invited who they wanted to, and SCCAR did not control who was invited. She said that FATCO used SCCAR to put on this free seminar when they should be charging an entry fee. She told OIC that she told Chris Schulz about the Facebook posting because she thought it was a violation. She said that she retired shortly after.



**Office of Insurance Commissioner
Investigations Unit
Audio Recorded Statement**

OIC Case #: 1229571

Statement from a person under investigation: Yes No

Statement from a witness: Yes No

Name: (Last, First): HOPKINS, RUTH Sales MAR

Home Address: 3642 Shorewood City: Greenbank

State: WA Zip Code: 98253 Home Telephone #: _____ Cell #: 425-508-4397

Work Telephone #: _____ Email Address: ERHOPKINS@WHIDBEY.COM

Drivers License #: _____ State: _____

INVESTIGATOR STATEMENTS:

This is an audio recorded statement regarding OIC Case # 1229571. Today's date is Nov 16, 2015 and the time now is 1:23 PM. This is the recorded statement of RUTH HOPKINS.

I am BARRY WALDEN of the Office of the Insurance Commissioner, Legal Affairs Division, Investigations Unit. This statement is being recorded (in person) at (location): OIC Tumwater or (over the telephone) via telephone # 360-725-7231

The following additional individuals are also present for this interview (list the names and association):

1) _____ 3) _____
2) _____ 4) _____

For the purposes of voice identification, would each person please state and spell your name one at a time.

AUTHORIZATION TO AUDIO RECORD STATEMENT:

Mr./Ms. HOPKINS, do you understand that this statement is being recorded? Yes No

And do you authorize me to record your statement? Yes No

Ask all others present if they are aware that the statement is being recorded? Yes No

And do you authorize me to record you as well? Yes No

DECLARATION

Mr./Ms. HOPKINS, do you declare that you are over the age of eighteen and are voluntarily providing this recorded statement today freely and without threats or promises? Yes No

Do you also declare, and state under penalty of perjury, under the laws of the State of Washington, that the information you are going to provide to me today is personally known to you, is true and correct to the best of your knowledge, and, if called upon to do so, you could and would testify competently to the information you provide today?

Yes No

INTERVIEW

- State purpose of the interview
- Begin interview

END OF INTERVIEW

- Do you have anything else you would like to add to this statement? Yes No
- Is the information you provided today true and correct? Yes No

The time is now 11:47 and this concludes this statement.

Signature of Investigator: 

In the complaint, it is alleged that FATCO did all the work in preparing and arranging this event and went to the local realtor's association to put their name on it so that FATCO could provide a seminar which they otherwise would be prohibited from doing in violation of RCW 48.29.210(2), WAC 284-29-235, and WAC 284-29-200(6), if not others.

Since WAC 284-29-235 only allows title companies to conduct educational seminars at no charge if the topic is solely regarding title insurance, title to real property, and escrow topics (which there appears to be no dispute that this seminar was not on any of these topics), then if this truly was a FATCO seminar as alleged then it would be a violation of RCW 48.29.210(2) since there is no rule that permits a title company to give this thing of value (the seminar) to a person in a position to refer or influence the referral of title insurance business.

FATCO contends that this was realtor association seminar that was open to all members (and others) of the association and hence, it was an allowable sponsorship of a trade association event. Their response does not respond to allegations that FATCO was the one that prepared the seminar, etc. and merely went to the association to put the association's name on it. The file does not indicate if they were asked to respond to this allegation. To me some of the documentation that FATCO submitted in response appears to confirm these allegations. In some of the emails that FATCO submitted to support their contention that the invitation to the seminar went to all members of the association, are emails from FATCO to the association urging the association to promote the event as the association's event, thereby potentially indicating (as alleged) that FATCO did all the preparation of the seminar and then went to the association to put their name on it so FATCO could claim that it was a permitted trade association sponsorship. Engaging in such a scheme to avoid RCW 48.29.210 and WAC 284-29-200 through WAC 284-29-265 is prohibited by WAC 284-29-200(6).

I would suggest that Ryan McIrvin at the SCCAR be contacted before any further contact with FATCO to see if he tells us the same story he told the complainant. If we contact FATCO first they may come up with a different story and/or coach Mr. McIrvin on what to say.

If the investigation does show that it was a trade association event, then there is still another aspect of the sponsorship (??) by FATCO that needs to be investigated. In the material we have received so far, FATCO says they only spent \$875 on this seminar. With over 200 attendees that would result in a cost of just over \$4 per attendee. I think it would be very difficult to find a venue, provide a speaker, lunch, and other materials for just \$4 per person. Also, if as alleged that FATCO did all the work in preparing this seminar (which would include at least finding a speaker, facility, meals, etc.) then their employee time and expenses need to be included in the amount FATCO paid/incurred in sponsoring the seminar. With only \$125 left between the \$875 they say they spent and the limit of \$1000 allowed for sponsorship of a trade association event, it would take very little time expended by a FATCO employee(s) in preparing this event to exceed the \$1000 limit in violation of WAC 284-29-220. Also, FATCO contends they only paid \$875 for the sponsorship, if so let's get their records and make sure they include all expenses.

Jim T.

RECEIVED

DEC 08 2015

OIC - INVESTIGATIONS

In Re the Matter of:

FIRST AMERICAN TITLE
INSURANCE COMPANY

OIC Case #: 1229571

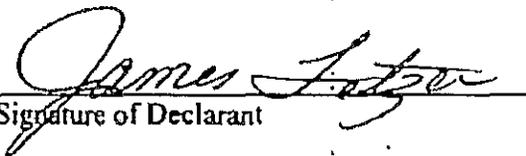
DECLARATION OF WITNESS
JIM FETZER

I, JIM FETZER, am over the age of eighteen and do voluntarily provide this declaration freely and without threats or promises, and state under penalty of perjury under the laws of the State of Washington that the following facts are personally known to me, and, if called upon to do so, I could and would testify competently to them.

1. I am an employee of Old Republic Title Insurance Company. Old Republic is a member of the Snohomish Camano County Association of Realestate Agents (SCCAR). I am a member of SCCAR and normally receive and respond to invitations and notifications of SCCAR events.
2. I was contacted by Marcia Stickler of the OIC who asked if I remember receiving an invitation from SCCAR in regards to an economic forecast seminar sponsored by First American Title Insurance Company (FATCO), on October 16, 2014.
3. I have no recollection of receiving an invitation to attend a FATCO seminar from SCCAR. I would not normally attend such an event sponsored by a competing tile company. I have conferred with my co-worker Lois who did not receive an invitation.

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF WASHINGTON STATE THAT THE FOREGOING IS TRUE AND CORRECT.

Dated this 3rd day of December, 2015.


Signature of Declarant

JAMES FETZER
Printed Name of Declarant

From: Conrad, Sari-Kim
To: OIC Title Insurance
Subject: Trade Association Question
Date: Friday, January 10, 2014 8:06:26 AM

Good morning!

Could you please provide some clarity on title company trade association educational sponsorships?

Is the intent of WAC 284-29-235 (Educational Seminars), section 2, to limit the topics a title company employee can speak to at a trade association to only title, escrow or title to real property topics? Or, can a title company provide a speaker on a non-title, escrow or title to real property topics as long as they adhere to the limitations set forth in WAC 284-29-220 (Trade Associations)?

For example, can a title company provide an employee to speak at an education seminar about foreclosures, or CFPB and use as one of their three opportunities to give something of value to a trade association, or do they have to stick to solely title or escrow topics?

Thank you!!

Sari-kim Conrad
Director, Operations Advisor
Direct Division
First American Title Insurance Company
Direct: 206-615-3166
Mobile: 206-200-0797
Email: sconrad@firstam.com

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Thank you.~

FAFLD

First American Title Ins. Co.
Docket No. 15-0166
Exh. 29

EXHIBIT FA-29

OIC 6036-kindinger 16