

Washington State Office of Insurance Commissioner
Original Complaint Details

Case 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-

Printed on: 10/24/2014 2:20:13 PM

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 McIvin 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. McIvin 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.

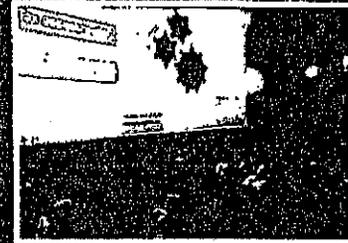
Supporting Documentation and Declaration Responses

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.



2014 Economic Forecast Event

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.

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

This event is complimentary and is sponsored by First American Title



Event Information...

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.snoco.wa@firstam.com
or Call 425.551.4117

PRESENTER:



DR. KRISHNA RAO, PH.D.
ZILLOW ECONOMIST



First American Title™

206.947.6754 | www.firstam.com

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Pace, Josh (OIC)

From: Durphy, Mark (OIC)
Sent: Friday, November 21, 2014 3:28 PM
To: Denzer, Fritz (OIC); Pace, Josh (OIC)
Subject: RE: case #1229571

Ok Fritz, thanks.

Josh,

Please include a copy of this email along with the original complaint in the investigative file and assign the case to Mike. Thank you.

Mark

Mark W. Durphy, CFE, CIG, CIGI
Investigations Manager, Legal Affairs Division
State of Washington, Office of the Insurance Commissioner
P.O. Box 40255, Olympia, WA 98504-0255
Direct: (360) 725-7261

From: Denzer, Fritz (OIC)
Sent: Friday, November 21, 2014 2:32 PM
To: Durphy, Mark (OIC)
Subject: FW: case #1229571
Importance: High

Mark,

We received a title insurance whistleblower complaint. I set up an inquiry to get baseline info and an explanation from the title insurer. I now have the response. On the surface it looked like a simple association sponsorship, but I asked Jim to also take a look at it. His review, insights and recommendation are below. I can refer to you in SIMBA. Please advise.

Thx

FD

From: Tompkins, Jim (OIC)
Sent: Friday, November 21, 2014 2:14 PM
To: Denzer, Fritz (OIC)
Subject: case #1229571

After reviewing the material in SIMBA on this case, I recommend that it get referred for investigation.

MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON



Phone (360) 725-7000
WWW.INSURANCE.WA.GOV

OFFICE OF
INSURANCE COMMISSIONER

October 27, 2014

FIRST AMERICAN TITLE INSURANCE COMPANY
9000 E. Pima Center Parkway
Scottsdale AZ 85258

OIC Case #: 1229571

Dear Matthew Sager:

Enclosed is a copy of a complaint we received from Chris Schulz, regarding allegations of violation of the title insurance inducement rules. Please include in your response copies of all your hard copy promotional and advertising material for this event, as well as copies of any email or other media advertising/promotion used in conjunction with this event. Include also, copies of any attendee applications used to register for/apply for the event, and a copy of any signed participant/attendance roster for the event.

Please review your policy and/or claim file and respond to the issues raised in the complaint. Your complete response should include:

- All documentation supporting your position. Do not send film, recordings, or your entire file.
- The name and NAIC number of the issuing company and the specific type of contract involved in this complaint. We'll use this verification to report complaint data to the NAIC.
- Whether the plan is a Qualified Health Plan purchased through the Washington Health Insurance Exchange, the plan name and applicable metal level.

WAC 284-30-360 and WAC 284-30-650 require you to provide a response within 15 business days of receiving this letter. We expect your answer by November 18, 2014.

Sincerely,
Fritz Denzer
Compliance Analyst
Consumer Advocacy
1-800-562-6900

Enclosure

cc: Chris Schulz

Mailing Address: P.O. Box 40256 Olympia, WA 98504-0256
Street Address: 5000 Capitol Blvd. Tumwater, WA 98501
Email: gap@oic.wa.gov Fax: (360) 586-2018

OIC Exhibit 2 - Page 1 of 2

EXHIBIT OIC-2

First American Title

Timeline About Photos Reviews More ▾

PEOPLE

☆☆☆☆☆
 393 likes
 95 visits

First American Title - Seattle / Everett
 October 19

Enjoyed hearing about 2015 Economic projections with over 200 of our clients. This Team did an outstanding job and we had a very successful eve

ABOUT

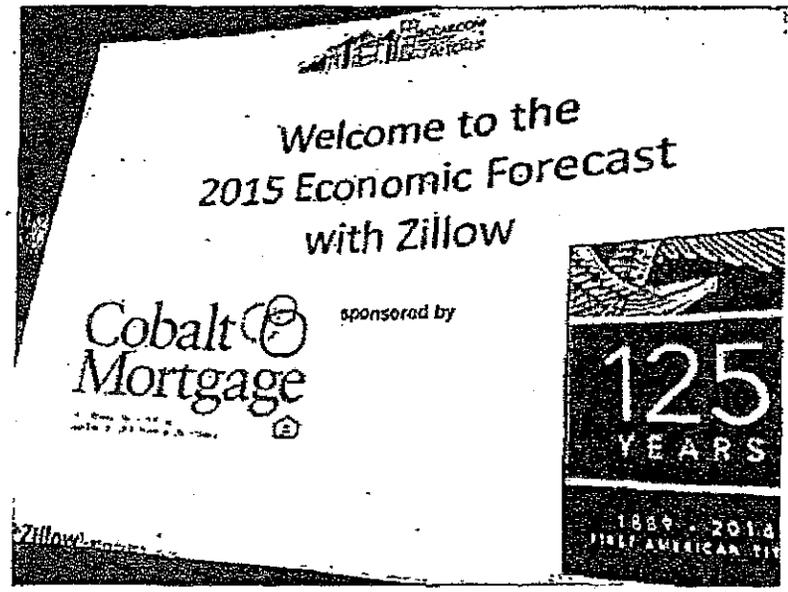


818 Stewart St Suite 800
 Seattle, Washington

(206) 728-0400

Closed Now
 Today 8:00am - 5:00pm

<http://www.firstamsno.com/>



PHOTOS





First American
Title Insurance Company

November 21, 2014

Frederic Denzer
Compliance Analyst
Consumer Advocacy
Office of Insurance Commissioner
P.O. Box 40256
Olympia, WA 98504-0256

RE: OIC Case #1229571

Dear Mr. Denzer,

This letter serves as First American Title Insurance Company's ("First American") response to your letter dated October 27, 2014. Documents supporting First American's response are being submitted together with this letter. First American operates in Washington as a title insurer, NAIC # 50814.

First American respectfully responds by stating that its sponsorship of the education seminar held on October 16 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).

For your information, the seminar was made available to all SCCAR members and affiliate members. First American made efforts to ensure that the event would be available to all members as can be shown in the correspondence between First American and SCCAR. SCCAR informed First American that notice of the seminar was sent on two occasions to all of its members and was also included in an e-newsletter that was provided to all members. First American was also informed by SCCAR that they posted the seminar on their website making it generally available to all members and affiliate members. As can be seen in the accompanying attendee roster, the seminar did not benefit a selected producer member of the SCCAR. It can also be seen that affiliate members were able to attend as several lenders also attended the seminar. Additionally, every attendee, whether they were a member of the SCCAR or not, were treated equally as there was no charge for any person that attended the event. The list of attendees demonstrates that the seminar was not held for a selected member but was open to all members and affiliate members.

First American respectfully answers that the sponsorship of the education seminar held by SCCAR on October 16 was permitted and done in accordance with WAC 284-29-220 and 284-29-235.

Respectfully submitted,

Matthew B. Sager
Sr. Operations Counsel

9000 E. Fina Center Parkway, Scottsdale, Arizona 85258

TEL 602-685-7511 • FAX 602-685-7015

msager@firstam.com

OIC Exhibit 3 - Page 1 of 18

EXHIBIT OIC-3

-----Original Message-----

From: Christensen, Sara

Sent: Wednesday, September 03, 2014 4:19 PM

To: SCCAR Government Affairs Ryan McIrvin; matthew@sccar.com

Subject: Zillow 2015 Forecast flyer For SCCAR Website

Hello gentlemen! I've attached the flyer that is being used to help bring in Brokers next month to the Zillow Economic Forecast. Can you also put this out to the members?

Thank you so much, Sara

---Original Message---

From: Christensen, Sara

Sent: Thursday, September 25, 2014 5:15 PM

To: 'Matthew Wahlquist'

Cc: 'ryan@sccar.com'

Subject: FW: Zillow 2015 Forecast flyer For SCCAR Website

Importance: High

Hello, I'm following up, have you already pushed this out via email? I haven't received it if so.

And can you put this on the website too please?

Thank you, Sara

---Original Message---

From: Christensen, Sara

Sent: Wednesday, September 03, 2014 4:19 PM

To: SCCAR Government Affairs Ryan McIrvine; matthew@sccar.com

Subject: Zillow 2015 Forecast flyer For SCCAR Website

Hello gentlemen! I've attached the flyer that is being used to help bring in Brokers next month to the Zillow Economic Forecast. Can you also put this out to the members?

Thank you so much, Sara

—Original Message—

From: Christensen, Sara
Sent: Friday, September 26, 2014 8:49 AM
To: Matthew Wahlquist
Subject: Re: Zillow 2015 Forecast flyer For SCCAR Website

thank you!!!

Sara Christensen, VP
Sales Manager
First American Title
2702 Colby Ave, Ste 601
Everett, WA 98201

206.947.6754 cell

Sent from my iPad

On Sep 26, 2014, at 8:47 AM, "Matthew Wahlquist" <matthew@sccar.com> wrote:

- > Sara,
- > We are marketing the class in our member e-newsletter. This should
- > go out to our active members on Monday, September 29th. I have asked
- > Ryan to add the event to our website.
- > Have a great weekend.
- >
- > Matthew Wahlquist
- > Executive Director
- > Snohomish County-Camano
- > Association of REALTORSR
- > (425) 339-1388
- > Matthew@SCCAR.com
- >
- > Make your membership count. Get involved.
- >
- >
- >
- >
- > The information contained in this e-mail communication and any
- > attached documentation may be privileged, confidential or otherwise
- > protected from disclosure and is intended only for the use of the designated recipient(s).
- > It is not intended for transmission to, or receipt by, any
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> delete it from your system without copying it and notify the above sender so that our e-mail address may be corrected.

> Receipt by anyone other than the intended recipient is not a waiver of
> any attorney-client or work product privilege.

>

>

> —Original Message—

> From: Christensen, Sara [<mailto:SChristensen@firstam.com>]

> Sent: Thursday, September 25, 2014 5:15 PM

> To: Matthew Wahlquist

> Cc: ryan@sccar.com

> Subject: FW: Zillow 2015 Forecast flyer For SCCAR Website

> Importance: High

>

> Hello, I'm following up, have you already pushed this out via email? I

> haven't received it if so.

>

> And can you put this on the website too please?

>

> Thank you, Sara

>

> —Original Message—

> From: Christensen, Sara

> Sent: Wednesday, September 03, 2014 4:19 PM

> To: SCCAR Government Affairs Ryan McIrvin; matthew@sccar.com

> Subject: Zillow 2015 Forecast flyer For SCCAR Website

>

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> bring in Brokers next month to the Zillow Economic Forecast. Can you

> also put this out to the members?

>

> Thank you so much, Sara

>

> *****

> *****

> *****

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>

> If you received this email as a commercial message and would like to

> opt out of future commercial messages, please let us know and we will

> remove you from our distribution list.

>

> Thank you.~

> *****

> *****

> *****

> FAFLD

>

> On Sep 26, 2014, at 8:47 AM, "Matthew Wahlquist" <matthew@sccar.com> wrote:

>

>> Sara,

>> We are marketing the class in our member e-newsletter. This should

>> go out to our active members on Monday, September 29th. I have asked

>> Ryan to add the event to our website.

>> Have a great weekend.

>>

>> Matthew Wahlquist

>> Executive Director

>> Snohomish County-Camano

>> Association of REALTORSR .

>> (425) 339-1388

>> Matthew@SCCAR.com

>>

>> Make your membership count. Get involved.

>>

>>

>>

>>

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> so that our e-mail address may be corrected.

>> Receipt by anyone other than the intended recipient is not a waiver

>> of any attorney-client or work product privilege.

>>

<u>First</u>	<u>Last</u>	<u>Company</u>	<u>Phone</u>	<u>E-mail</u>
Daren	Kloes	Coastal Bank	(425) 357-3666	dkloes@coastalbank.com
Matt	Allen	Cobalt		
Andrew	Austin	Cobalt	425-481-1120	andrew.austin@cobaltmortgage.com
Jason	Brock	Cobalt		
Debble	Compton	NW Plus CU		debblec@nwpluscu.com
Marilyn	Conyers	Cobalt	425-481-1120	marilyn.conyers@cobaltmortgage.com
Joe	Danielson	Coastal Bank	(425) 357-3650	jdanielson@coastalbank.com
Lindsay	Eckhoff	Cobalt	425-481-1120	lindsay.eckhoff@cobaltmortgage.com
Mel	Farnam	Cobalt	425-481-1120	mel.farnam@cobaltmortgage.com
Jennifer	Foulke	Cobalt	425-481-1120	jennifer.foulke@cobaltmortgage.com
Pat	Geller	All-Star Mtg	(206) 321-6612	geller.pat@gmail.com
Christine	Goetz	Cobalt		
Lydia	Guel	NW Plus CU		
David	Haley	Seattle Mortgage	(425) 563-1174	david@seattlemortgagetoday.com
Rich	Henke	Cobalt		
Susan	Henry	Washington Federal		Susan.Henry@wafd.com
Shane	Kidwell	Cobalt	425-481-1120	shane.kidwell@cobaltmortgage.com
Barbara	Krlng	Cobalt		
Susan	Langager	USBank	(206) 344-5696	SUSAN.LANGAGER@usbank.com
Heather	Lawler	Whidbey Bank		
Olga	Marchenko	Cobalt		
Chad	Mattison	Cobalt		
Martin	Metzdorf	Cobalt		
Sara	Monzo	Cobalt	(425) 605-1406	sara.monzo@cobaltmortgage.com
Julee	Moore	Cobalt	425-481-1120	julee.moore@cobaltmortgage.com
Sean	Psaradelis	Umpqua	(425) 741-5804	SeanPsaradelis@umpquabank.com
Rob	Purser	Union Bank		rob.purser@gmail.com
James	Reese	Cobalt		
Diana	Reis	Cobalt		
Brendan	Ries	Cobalt		
Arthur	Robertson	Coastal Bank	(425) 257-1662	arobertson@coastalbank.com
Tina	Ryan	Cobalt	425-481-1120	tina.ryan@cobaltmortgage.com
Brett	Schuelke	Coastal Bank	(425) 357-3697	bschuelke@coastalbank.com
Katherine	Shattuck	Cobalt		
Chelan	Shero	Cobalt		
Joe	Smith	Coastal Bank	(360) 794-0781	jsmith@coastalbank.com
Sam	Stickney	Cobalt		
Michael	Swanson	Coastal Bank	(425) 357-3661	mswanson@coastalbank.com
Cody	Touchette	Cobalt		
Jay	Wildin	Cobalt		
Marci	Willis	Heritage		
Carmen				
Nancy		NW Plus CU		

<u>First</u>	<u>Last</u>	<u>Company</u>	<u>Phone</u>
Anne	Allen	Windermere MC	(206) 755-7310
Maryanne	Armstrong	JLS Lake Stevens	(425) 238-8044
Waseem	Asfar	Northwest Real Estate Center	(425) 778-4000
Barbara	Athanas	Windermere RE	(206) 300-4208
Melinda	Baena	Windermere	(360) 568-1537
Gene	Baker		
Toby	Barnette	Keller Williams	425-653-1884
Brian	Barnhart	RE/Max TC	(425) 501-0449
Juliet	Beard	Windermere	(206) 715-5531
Bill	Beauprey	JLS Lake Stevens	(425) 334-1038
Nina	Bjornstal	RE/Max TC	(206) 730-0962
Marilyn	Blackburn	Gilpin Realty	(425) 232-8733
Casey	Bowers	Windermere GH	(425) 772-6187
Kelly	Brantley	New Horizon Realty	(425) 260-8512
Jason	Brock	Cobalt Mortgage	(425) 220-1419
Gene	Bryson	Windermere Arlington	(360) 435-0700
Leigh	Buchan Harvey	WRE HKW	(206) 730-1319
Denny	Bullock	BHHS	(206) 999-1980
Bob	Burke	JLS-Lynnwood	(425) 775-4591
Chere	Burtis	Harbour Homes	
Laura	Cable-Laird	hallmark Homes	(425) 345-3733
Jenni	Callaghan	KW Msvl	425-754-2047
Kay	Capanyola	WRE	(425) 931-4528
Brett	Carlton	Coast Real Estate Services	(425) 339-3638
Nicole	Carpenter	JLS Lake Stevens	
George	Caudill		(425) 381-0877
Mary	Chalverus	Harbour Homes	
Iva	Christensen	Preview Properties	(425) 348-9200
Glenn	Coil	Economic Alliance	(425) 248-4214
Scott	Comey	RE/Max Elite	(425) 350-0172
Debra	Connelly	Preview Properties	(425) 742-2700
Lella	Cook	Gilpin Realty	(425) 238-2994
Ray	Cook	Gilpin Realty	(425) 238-0282
Lauri	Dennis	Berkshire Hathaway	(206) 972-6623
Lauri	Dennis Guest		
Lauri	Dennis Guest		
Linda	Dorgan	JLS-Lynnwood	(206) 706-4336
Jill	Estes	JLS	(425) 408-2802
Rochelle	Fahlman	New Horizon Realty	425-239-0072
Todd	Fahlman	New Horizon Realty	425-239-0072
Anita	Fawcett	WA Homes	425-238-0724
Peggy	Fisher	Preview Properties	(360) 757-6430
Carrie	Foley	BHHS	(425) 273-6967
Melody	Foreman	WRE Everett	425-923-7427
Chentelle	Fullwiler	RE/MAX NW	(425) 268-4409
Rob	Gadbols	RE/MAX Elite	(425) 760-5626

Paula	George	Windermere	(206) 949-6505
Anthony	Gladis	KW	425-220-3640
Donna	Gola	Keller Williams	(425) 212-2007
Margo	Gola	Keller Williams	(425) 212-2007
Leney	Gonzaga	North Pacific Properties	(206) 954-7568
Robin	Grner	New Horizon Realty	425-478-4488
Lorie	Groth	New Horizon Realty	(425) 422-7145
Hector	Guevara	Cascade Realty	(425) 268-4706
Braden	Gustafson	Gustafson & Associates	425-231-8367
Shelley	Hagstrom	Windermere	
Wendi	Hale	RE/MAX Elite	(425) 268-7111
David	Hamilton	Zip Realty	(425) 890-7932
Debra	Hamilton	Zip Realty	(425) 890-7932
Larry	Hammond	JLS	(206) 696-2862
Ericka	Hardwick	Buck Real Estate	425-922-9795
Matt	Hart	Keller Williams	425-210-7307
Robin	hartley	Caliber RE	(425) 939-2370
Trent	Harwood	Preview Properties	(425) 336-6494
Susan	Heller	JLS-Lynnwood	(206) 551-9447
Amanda	Hellman	Windermere	(360) 990-7282
Ruth	Herren	lamoureux RE	425-335-4666
Leah	Herrera	RE/MAX NW	(425) 489-1223
Dee	Heyerdahl	CBB Danforth	425-422-6906
Evelyn	Himple	Keller Williams	(425) 870-3736
Jan	Hite	RE/Max TC	425-346-1501
Tory	Horsman	RE/MAX	(425) 258-1888
Sue	Hounshell	Windermere RE	(425) 238-8928
Dennis	Howard	Edmonds Realty	(425) 478-9640
Pat	Hubble	Action Realty	
Deborah	Hughes	Preview Properties	425-314-6180
TC	Hyatt	John L Scott	(425) 743-1600
Rio	Ingraham	JLS- Mill Creek	(425) 948-7111
Lindsay	Jackson	WRE HKW	
Linda	Jacobus	Preview Properties	(425) 308-4231
Kira	James	Windermere RE	(425) 422-2201
Tom	Jensen	Preview Properties	360-331-6006
Patrick	Johnson	Century 21 NH	(425) 387-7135
Teri	Jones-Walster	Preview Properties	(425) 344-7812
Alicia	Kersavage	Windermere	(425) 870-9071
Hank	Kindall	Chaplons	(425) 444-3445
Kelly	Kirkpatrick	Keller Williams	(425) 260-8512
Lisa	Knoth	New Horizon Realty	(360) 691-9297
Wendy	Kondo	WRE Lynnwood	(425) 478-9789
Shelley	Korn	KW Bothell	
Natalia	Kostiouk	John L Scott	
Stephanie	Krantz	RE/MAX NW	(425) 205-1234
Julee	Kraus	JLS MCTC	

Walt	Krein		
Glenda	Krull	Windermere RE	(425) 776-9580
Emmett	Lane	JLS	(425) 239-4097
Tracy	Lane	Lane Homes	(425) 239-4097
Tracey	Lang	New Horizon Realty	(425) 772-8021
Cheryl	Latimer	Windermere	(425) 327-3280
Gina	lee	John L Scott	(425) 286-7679
Julie	Lee	RE/Max	(206) 642-9698
Mary	Lee	Windermere	(206) 919-9515
Geraldine	Levet	Windermere Northlake	
Gordy	Lindstrom	Keller Williams	(425) 772-5845
Alex	Litovchenko		
Elena	Litovchenko	Preview Properties	(425) 348-9200
Lisa	Lobaugh		
Jess	Lyda	RE/MAX NW	(425) 487-3001
Julle	Lyda	RE/MAX NW	(425) 487-3001
Colleen	Mace		
Michelle	Macris	JLS	(425) 931-1136
Kevin	Mai	Dove Realty	
Bob	Maple	JLS	(425) 501-1631
Todd	Marshall	Windermere	(425) 327-1243
Dianne	Mathews	Keller Williams	(360) 840-3488
Tamera	Matthew	Windermere Camano	(425) 330-8671
Amanda	Mayberry	Windermere	2067946446
Jennifer	McGuire Heshaw	RE/MAX NW	(206) 250-3726
Ryan	McIrvin	SCCAR	
Tara	McKinney	Preview Properties	
Hayley	Meas	JLS Lake Stevens	(425) 876-1719
Andrew	Mellon	Lake Real Estate Inc.	(206) 909-3474
Justin	Mellon	Lake Real Estate Inc.	
Molly	Mendenhall	WRE HKW	
Kim	Meyer	Remax	
Tom	Minty	JLS-Lynnwood	(425) 744-5326
Bonnie	Moore	Asset Realty Group	
Susan	Moore	Windermere Edmonds	(206) 719-8122
Christine	Morse	KW	
Jennifer	Murphy	Gilpin Realty	(425) 223-8096
Jenifer	Murrweiss	RE/MAX	(425) 422-7243
Joe	Mustach	WREHKW	
Kristine	Nicholls	Windermere	(425) 232-5355
Kristine	Niemi	Keller Williams	(206) 369-4285
Corine	Oak Kim	Champions Real Estate Services	(425) 744-5577
Jim	O'Day	New Horizon Realty	(425) 359-2708
Young	Oh	Frontier Realty	(425) 712-8949
Heather	Ole	Task Properties	(425) 870-4642
Tiffany	Olson	KW	425-508-2709

Melody	Oxley	CBB Danforth	206-683-9391
Terry	Palmer	Century 21 NH	(425) 923-8446
Bob	Patera	RE/Max TC	(425) 374-9339
Kat	Patera	RE/Max TC	(425) 334-1818
Ryan	Patrick	RE/MAX NW	(206) 356-7244
Joey	Perrigo	Home Realty	(206) 949-2134
Tolln	Peterson	Preview Properties	(206) 362-0700
Tolln	Peterson's guest		
Ben	Pfiester	JLS Mill Creek Town Center	(425) 770-2133
Ben	Pflester	JLS MC	
Julia	Phillip	The Force Realty	(262) 960-1998
JoAnn	Plispanen	JLS	(425) 750-3735
Bunsong	Pumma	KW	425-231-3574
Cassey	Reithelt	Windmere RE	
Joelle	Rekdahl	Windmere	(425) 508-1827
Jay	Richardson	JLS MCTC	
Holley	Ring	Windmere	(206) 852-6107
Dominique	Roberts	BHHS	(206) 979-3490
Jim	Robeson	Champions RE	
Leslie	Robinson	Champions RE	
Tracey	Rodrigue	Windmere RE	(425) 350-0944
Vincene	Rose	Preview Properties	(425) 239-6531
Dan	Roth	Preview Properties	425-239-4974
Marlene	Rouleau	Windmere	(206) 409-6041
Brenda	Rumball	Century 21 NH	(425) 244-0400
Kelly	Russell	CBB	425-387-4285
Lisa	Ruybal	Ruybal Group	(425) 210-6651
Kathie	Salvadarena	Windmere RE	(360) 568-1537
Carol	Sanders	WA Homes LLC	425-308-0226
Roxanne	Santiago	Windmere MC	(425) 770-3334
Jim	Scaefar	Edmonds Realty	(206) 920-7653
Suzanne	Schempp	Windmere RE	(206) 595-9145
Dafna	Shalev	RE/MAX NW	(425) 220-1356
Kami	Shaw	Windmere	
Rhonda	Shea	JLS Lake Stevens	(425) 890-2241
Darrel	Shefstad	Cascade Realty	(425) 339-0123
John	Short	BHHS	(206) 354-8047
Sandra	Simmons	Windmere	(206) 261-4640
Patti	Smiley	Champions Real Estate NW	(425) 455-5913
Terry	Smiley	Champions-Real Estate NW	(425) 455-5913
Duane	Smith	Zip Realty	
Sarah	Sorenson	The Force Realty	(425) 332-7112
Lisa	Sprute	Asset Realty Group	(425) 268-9367
Blake	Stedman	Coast Real Estate Services	(425) 551-0829
Jenell	Steltz	Windmere RE	(425) 356-7033
Jim	Stephanson	Economic Alliance	(425) 248-4214
Anton	Stetner	Keller Williams	425-923-7010

Tracy	Stevens	RE/MAX Elite	(425) 330-7052
Tim	Stratton		
Carolyn	Strong	Windermere Edmonds	(206) 227-4012
Bill	Sunderland	JLS-Lynnwood	(425) 877-7577
Mike	Sylte	Pro Realty	(425) 745-2400
Mike	Sylte's Guest		
Wes	Tanigwa	Sundquist homes	
Beth	Tanner	Windmere RE	(360) 631-2596
Jan	Taylor	Windermere RE	(206) 399-3833
Trudi	Terletter	Windermere RE	(360) 794-3777
Mary	Thomas	JLS MCTC	(425) 750-3004
Art	Thompson	Coast Real Estate Services	(425) 405-1337
Erin	Twedt	CBB Danforth	425-870-5493
Jill	Vail	Windermere	(425) 308-4494
Alexis	Valenti		
Cyndi	Vannoy	Windermere	(425) 322-8290
Ruben	Vargus	Cascade Realty	(425) 339-0123
Bob	Vick	Sundquist homes	
Matina	Vourgourakis	JLS Everett	(425) 232-2680
Rachel	Wagner	JLS-Lynnwood	(425) 775-4591
Matthew	Wahlquist	SCCAR	(425) 339-1388
Debbie	Walter	RE/MAX NW	(206) 930-8699
Kimla	Weller	hallmark Homes	(425) 418-8902
Kathy	West	WRE Msvl	360-202-4735
Elene	Whalln	JLS	(206) 396-7051
Teresa	Willard	Keller Williams	(425) 327-5498
Athens	Williamson	Berkshire Hathaway	(425) 744-2260
Debbie	Wilson	Keller Williams	
Stacy	Winkler	Buck Real Estate	(425) 985-8416
Shannon	Woodcock		
Jill	Woolsey	Windermere	(425) 335-4666
Diane	Young	Home Realty	(425) 347-7500
Frank	Young	Brier Realty	(425) 770-5378
Karen	Young	Windermere	(360) 568-1537
Scott	Young	Windermere RE	(425) 740-2254
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Elene Wahlin
Elene Wahlin

Durphy, Mark (OIC)

From: Durphy, Mark (OIC)
Sent: Friday, November 21, 2014 3:28 PM
To: Denzer, Fritz (OIC); Pace, Josh (OIC)
Subject: RE: case #1229571

Ok Fritz, thanks.

Josh,

Please include a copy of this email along with the original complaint in the investigative file and assign the case to Mike. Thank you.

Mark

Mark W. Durphy, CFE, CIG, CIGI
Investigations Manager, Legal Affairs Division
State of Washington, Office of the Insurance Commissioner
P.O. Box 40255, Olympia, WA 98504-0255
Direct: (360) 725-7261

From: Denzer, Fritz (OIC)
Sent: Friday, November 21, 2014 2:32 PM
To: Durphy, Mark (OIC)
Subject: FW: case #1229571
Importance: High

Mark,

We received a title insurance whistleblower complaint. I set up an inquiry to get baseline info and an explanation from the title insurer. I now have the response. On the surface it looked like a simple association sponsorship, but I asked Jim to also take a look at it. His review, insights and recommendation are below. I can refer to you in SIMBA. Please advise.

Thx

FD

From: Tompkins, Jim (OIC)
Sent: Friday, November 21, 2014 2:14 PM
To: Denzer, Fritz (OIC)
Subject: case #1229571

After reviewing the material in SIMBA on this case, I recommend that it get referred for investigation.

In the complaint, it is alleged that FATCO did all the work in preparing and arranging this event and went to the local realtors 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 48.210(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 lets get their records and make sure they include all expenses.

Jlmt.

Pace, Josh (Production Web 16)

COMPANY MASTER INQUIRY

WAOIC # 461 NAIC #

Company Information

Name	FIRST AMERICAN TITLE INSURANCE COMPANY	FEIN	95-2566122
NAIC #	50814	Org. Type	Title
WAOIC #	461	CIC #	FIRSTAT317B8
Adm. Date	1/2/1969	Dom. Type	Foreign
Status	Active	Status Date	1/2/1969
		Comp. Type	Stock
		NAIC Code	70
		Dom. State	Nebraska
		Inact. Reason	

Mailing Address

1 FIRST AMERICAN WAY
SANTA ANA CA, 92707
Tel:714-558-3211
Fax:
email:

Domicile Address

13924 GOLD CIRCLE
OMAHA NE, 68144
Tel:800-854-3843
Fax:
email:

SOP Address

300 DESCHUTES WAY SW
SUITE 304
TUMWATER WA, 98501
Tel:888-690-3882
Fax:302-636-5454
email:SOP@CSCINFO.COM

Total Active Lines: 1

Total Non-Active Lines: 0

All Active

Company Lines	Status	Approval Date	Cancel Date
Title	Active	01/02/1969	

Total Active Appointments: 25

Total Non-Active Appointments: 45

All Active

Appointee Name	WAOIC #	Appt. Date	Cancel Date	License Type	Appt. Type	Lines	Cases Count	Orders Count
BAINES TITLE COMPANY INC	246231	01/03/2013		Title	RAP	1	0	0
Cascade West Title Company LLC	180951	05/17/2012		Title	RAP	3	0	0
CLALLAM TITLE COMPANY	92189	11/18/1993		Title	RAP	1	0	0
COAST TITLE & ESCROW INC	8492	09/26/1990		Title	RAP	1	0	0
COLUMBIA COUNTY TITLE COMPANY LLC	709718	07/18/2007		Title	RAP	1	0	0
Columbia Gorge Title LLC	802789	02/06/2012		Title	RAP	1	0	0
Columbia Title Company SEWA	859229	05/21/2014		Title	RAP	0	0	0
COWLITZ COUNTY TITLE COMPANY	56466	02/15/2002		Title	RAP	1	0	0
ESCROW AND TITLE SERVICES INC	80796	07/25/2007		Title	RAP	1	0	0
First American Title Co Subsidiary Inc	773042	01/23/2013		Title	RAP	0	0	0
FIRST AMERICAN TITLE COMPANY OF JEFFERSON COUNTY I	212605	07/16/2003		Title	RAP	1	0	0
GARFIELD COUNTY TITLE COMPANY	14514	01/22/2009		Title	RAP	0	0	0
GRANT COUNTY TITLE COMPANY	169130	05/24/2001		Title	RAP	0	0	0
GUARDIAN NORTHWEST TITLE COMPANY	96544	06/04/2007		Title	RAP	3	0	0
JEFFERSON TITLE COMPANY INC	20195	08/06/2013		Title	RAP	1	0	0
MOUNT VERNON ABSTRACT & TITLE COMPANY INC	156746	11/15/2011		Title	RAP	0	0	0
MOUNT VERNON ABSTRACT & TITLE COMPANY INSURANCE	28324	06/10/2010		Title	RAP	0	0	0
NORTHWEST TITLE LLC	185352	10/08/2001		Title	RAP	2	0	0
PACIFIC NORTHWEST TITLE COMPANY OF KITSAP COUNTY I	73603	03/12/2002		Title	RAP	2	0	0
PEND OREILLE TITLE COMPANY	31009	05/12/2010		Title	RAP	1	0	0
PIONEER TITLE COMPANY OF WALLA WALLA INC	182988	07/30/2001		Title	RAP	2	0	0
PIONEER TITLE COMPANY OF WASHINGTON	204649	02/13/2003		Title	RAP	0	0	0
Real Advantage, LLC	810579	04/22/2014		Title	RAP	0	0	0
TITLE GUARANTY COMPANY OF LEWIS	99723	09/26/1990		Title	RAP	2	0	0

COUNTY						
Tri-City Title & Escrow, LLC	815968	08/31/2012		Title	RAP	0
Cases by Division						
	2010	2011	2012	2013	2014	Total till Date
Total Cases	23	20	8	8	6	187
Company Supervision	0	0	0	0	0	5
Consumer Advocacy	21	16	7	7	6	170
Investigation	2	4	1	0	0	8
Legal	0	4	0	1	0	12
Orders Division						
	2010	2011	2012	2013	2014	Total till Date
Company Supervision	0	0	0	0	0	4
Hearings	0	0	0	2	0	2
Investigation	0	0	0	0	0	1
Legal	0	0	0	0	0	7
Taxable Premium Volume						
	2010	2011	2012	2013	2014	
Taxable Premium Volume	79423578.00	66964647.00	85114462.00	Audit Pending	N/A	

Cases by Division

- Total Cases count displays the number of unique cases closed for that year.
- The division counts display the number of closed cases assigned to that division. If the case was assigned to multiple divisions, the case will be included in each of the division counts.
- Total till Date is the count for both Closed and the Open Cases.

Orders Division

- Count against the years in the Orders Division is the count for the Orders Issued.
- Total till Date in the Orders Division is the Count for the total Orders.

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FILED

OFFICE OF
INSURANCE COMMISSIONER

2013 MAY -6 A 10:55

IN THE MATTER OF

) NO. 13-0021

Heatings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

) STIPULATION AND AGREED

) ORDER DISMISSING ADJUDICATIVE

FIRST AMERICAN TITLE
INSURANCE COMPANY,

) PROCEEDINGS

An Authorized Insurer.

STIPULATION

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

1. FATIC is a title insurer authorized to do business in the State of Washington.
2. On fifty-three (53) occasions in 2011 and on forty-five (45) occasions in 2012, FATIC gave three hour Department of Licensing-approved clock hour class #C764, titled "Distressed Properties: Title & Escrow Issues" to hundreds of licensed producers of title insurance business without charging the licensees a fee. The OIC believes that the class provided education beyond solely the topics of title insurance, escrow, and title to real property and therefore should not have been provided to producers without charge. The Company disagrees.
3. On October 3, 2011, FATIC gave the same three credit clock hour class at the Seattle-King County Association of Realtors, a trade association. The classroom seated sixty-two (62) students and was billed as being "sold out." The class was given without charge, and the OIC believes that the estimated benefit conferred on the trade association and attendees, presuming even a below market rate of \$30 per student, was \$1,860. The Company disagrees. In addition, FATIC made a donation to the trade association of \$500.00 in cash and \$179.70 for snacks and beverages.
4. On fifty-six (56) occasions in 2011, and on sixteen (16) occasions in 2012, FATIC gave three hour Department of Licensing-approved clock hour class #C7052

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Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501



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

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

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

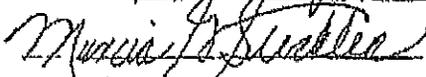
6a. FATIC agrees to pay \$25,000 within thirty days of the date of the entry of the subjoined Order.

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

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

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

Dated this 16th day of April, 2013.



Maroia G. Stickler

STIPULATION AND AGREED ORDER 2

Dated this 25th day of APRIL, 2013.

First American Title Insurance Company

By: [Signature]

Title: SVP, Deputy General Counsel

ORDER

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

IT IS HEREBY ORDERED as follows:

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

SIGNED AND ENTERED this 6th day of May, 2013

[Signature]
PATRICIA D. PETERSEN
Chief Hearing Officer
Office of Insurance Commissioner

Presented by:

[Signature]
March G. Stickler
OIC Staff Attorney

Approved for Entry/Notice
of Presentation Waived:

[Signature]
Ryan, Swanson & Cleveland, PLLC
Jerry Kiudinger
Attorneys for First American Title
Insurance Company

STIPULATION AND AGREED ORDER 3



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OFFICE OF
INSURANCE COMMISSIONER

In The Matter Of:

FIRST AMERICAN TITLE
INSURANCE COMPANY

An Authorized Insurer

No. D07-154

CONSENT ORDER
LEVYING A FINE

Comes Now the Insurance Commissioner of the State of Washington, pursuant to the authority set forth in RCW 48.02.080, and makes the following:

FINDINGS OF FACT:

1. First American Title Insurance Company ("FATCO") is authorized to issue title insurance in Washington.
2. The Office of the Insurance Commissioner examined the expense records of FATCO for the period from November 15, 2006 through February 15, 2007 in King, Pierce, and Snohomish Counties, Washington. The examination was to determine whether FATCO was abiding by the requirements of WAC 284-30-800, which prohibits inducements, payments, or rewards exceeding \$25 per person, per year, for the placement of title insurance.
3. FATCO offers licensed real estate professionals "clock hour classes," continuing education seminars that they must have to maintain their licenses. On November 15, 2006, FATCO presented a 4-clock hour class at its Tacoma, Washington office on the subject of escrow to eight realtors, free of charge.
4. On December 6, 2006, FATCO presented a 4-clock hour class at Keller Williams' Puyallup, Washington office on the subject of escrow to four Keller Williams realtors, free of charge.
5. On January 10, 2007, FATCO presented a 4-clock hour class at its Sumner, Washington office on the subject of escrow to seventeen realtors, free of charge.

ORIGINAL

6. On February 14, 2007, FATCO presented a 4-clock hour class at Godfather's Pizza in Bonney Lake, Washington on the subject of escrow to sixteen realtors, free of charge.

7. FATCO offered 31 clock hour classes to realtors during the period under review for which it charged a fee, usually between \$15 to \$40 dollars per person. In setting the price for the classes, FATCO failed to include the cost of the advertisement, the room, or the FATCO instructor's preparation and teaching time.

CONCLUSIONS OF LAW

1. By giving clock hour classes to real estate professionals, either free or below their respective fair market value, FATCO violated WAC 284-30-800.

2. RCW 48.05.185 authorizes the Insurance Commissioner to impose a fine in lieu of or in addition to suspension or revocation of a company's license for a violation of RCW 48.05.185 and authorizes the Insurance Commissioner to impose a fine in lieu of or in addition to suspension or revocation of a company's license for a violation of the Insurance Code.

CONSENT TO ORDER

NOW, THEREFORE, FATCO consents to the following Order in consideration of its desire to resolve this matter without further administrative or judicial proceedings and in order to avoid the costs and uncertainties of litigation, and the Insurance Commissioner consents to settle the matter in consideration of FATCO's payment of a fine and such other terms and conditions as are set forth below:

1. FATCO consents to the entry of this Order, and waives further administrative or judicial challenge to the OIC's actions in regard to the entry and enforcement of the Order;

2. Within thirty days of the entry of this Order, FATCO agrees to pay to the OIC a fine in the amount of \$10,000, \$7,500 of which is suspended pending no further violation of the statutes and regulations that are the subject of this Order;

3. FATCO will carry out and fulfill the requirements of the Compliance Plan which is attached hereto for a period of two years;

4. The OIC will not impose the balance of this fine nor take action against the certificate of authority of FATCO should it commit isolated, de minimis violations of the statutes or regulations that are the subject of this Order during the suspense period, as determined by the OIC. FATCO commits to rectifying such violations promptly once they are discovered;

CONSENT ORDER 2

Page 2 of 4

5. Whether further violations of the statutes and regulations that are the subject of this Order, and whether they are isolated or de minimis, will be determined within the sole discretion of the OIC. FATCO understands and agrees that any future failure to comply with the statutes and regulations that are the subject of this Order constitutes grounds for further penalties that may be imposed in direct response to that further violation, in addition to the imposition of the suspended portion of the fine;

6. The suspended portion of this fine will be imposed at the sole discretion of the OIC, according to the conditions set forth above, without any right to advance notice, hearing, or appeal. Failure to pay the unsuspended portion of the fine as set forth above shall constitute grounds for revocation of FATCO's certificate of authority.

EXECUTED this 21st day of June, 2007.

FIRST AMERICAN TITLE
INSURANCE COMPANY

By: Thomas S. Anderson

Typed Name: Thomas S. Anderson

Typed Corporate Title: Division President

ORDER OF THE INSURANCE COMMISSIONER

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

1. First American Title Insurance Company is ordered to pay a fine in the amount of \$10,000, \$7,500 of which is suspended pending compliance with the statutes and regulations that are the subject of this Order for a period of two years.
2. The Company will abide by the terms and conditions of the Compliance Plan attached to and made a part hereof for a period of two years.
3. The Company's failure to pay the unsuspended portion of the fine within thirty days of the entry of this Order shall result in the revocation of the Company's certificate of authority and in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.
4. This Consent Order is for settlement purposes, and the fact of, and any provision, finding, or conclusion contained in this Consent Order (or its attachment), and any action taken hereunder: (a) are not intended to be, and shall not be construed as, or be admissible in evidence as, any admission of any fact or legal principle in the action now

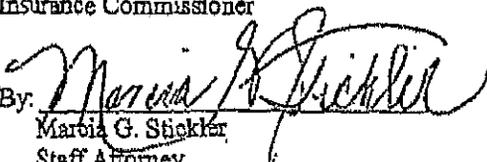
CONSENT ORDER 3

Page 3 of 4

pending in the Western District of Washington titled *Blaylock et al. v. First American Title, et al.*, (No. 06—1667 JLR) and any progeny thereof; and (b) do not, and are not intended to, determine any factual or legal issues or have any preclusive or collateral estoppel effects in regard to *Blaylock* or its progeny.

ENTERED AT TUMWATER, WASHINGTON, this 25th day of June, 2007.

MIKE KREIDLER,
Insurance Commissioner

By: 
Marcia G. Stiecker
Staff Attorney
Legal Affairs Division

COMPLIANCE PLAN

A. Purpose of and Consideration for the Plan

First American Title Insurance Company (FATCO) enters into this Compliance Plan with the Office of Insurance Commissioner ("OIC") for the State of Washington to promote compliance by the Company with the requirements of the laws and regulations of the State of Washington. FATCO is also entering into a Consent Order No. D07-154 with the OIC. This Plan is attached to the Consent Order and is fully incorporated into said Consent Order, and FATCO's obligations under this Compliance Plan are made a part of the Consent Order and constitute obligations under said Consent Order as though this Compliance Plan and the Company's obligations under it were fully set forth in said Consent Order.

B. Term of Plan

The effective date of this Plan shall be the date of entry of the Consent Order, on which date this Plan shall become final and binding. FATCO's obligations under this Compliance Plan shall continue from its effective date until termination of the period during which conditions are imposed by the Consent Order.

C. Compliance Plan

1. Internal Audit

- a. Information to OIC: The Company will conduct four semi-annual internal audits, the first to be performed within sixty (60) days of the entry of the Consent Order. Every six (6) months thereafter the Company will perform a follow up audit. The Company will establish an audit plan and take corrective action with regard to the violations included in the Consent Order. Copies of each internal audit report on the semi-annual audits to be performed during the period of this Plan shall be provided to Christine Tribe of the OIC Legal Affairs Division within thirty (30) days of the report being issued. Reports shall be issued no later than thirty (30) days following the completion of each audit.
- b. Internal Audit Obligations: FATCO will provide its staff conducting the audit with the Consent Order and shall focus the audit on clock hour classes in the semi-annual audits conducted pursuant to this Compliance Plan.
- c. Audit Scope: Each semi-annual audit shall encompass all clock hour classes offered during the six (6) month period covered by the audit.
- d. Correction of Exceptions: Any exception or deficiency identified by the internal audits conducted pursuant to this Plan shall be corrected. FATCO agrees to advise

the OIC within thirty (30) days of the audit report of any corrective measures contemplated to address any such exceptions or deficiencies or any other areas requiring correction. The OIC shall then review these measure(s) and notify FATCO of any comments associated thereto within thirty (30) days. Unless the OIC requests modifications to the proposed corrective measure(s), FATCO shall have thirty (30) days from the end of the OIC's review period to implement the measure(s). However, should FATCO need longer than thirty (30) days to correct any exception or deficiency, it may contact the OIC Legal Affairs Division and request an extension to the thirty (30) day requirement.

D. Miscellaneous

1. Authority to Enter Plan: FATCO gives express assurance that under applicable laws, regulations and where applicable, its Articles and By-Laws, it has the authority to comply fully with the terms and conditions of this Plan, and that it will provide written notification to the other parties within ten (10) days of any material change to this authority or of any violation of this Plan.

FIRST AMERICAN TITLE INSURANCE COMPANY

BY: TOA [Signature]
TITLE: Division President
DATE: 6/21/07



First American
Title Insurance Company

November 21, 2014

Frederic Denzer
Compliance Analyst
Consumer Advocacy
Office of Insurance Commissioner
P.O. Box 40256
Olympia, WA 98504-0256

RE: OIC Case #1229571

Dear Mr. Denzer,

This letter serves as First American Title Insurance Company's ("First American") response to your letter dated October 27, 2014. Documents supporting First American's response are being submitted together with this letter. First American operates in Washington as a title insurer, NAIC # 50814.

First American respectfully responds by stating that its sponsorship of the education seminar held on October 16 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).

For your information, the seminar was made available to all SCCAR members and affiliate members. First American made efforts to ensure that the event would be available to all members as can be shown in the correspondence between First American and SCCAR. SCCAR informed First American that notice of the seminar was sent on two occasions to all of its members and was also included in an e-newsletter that was provided to all members. First American was also informed by SCCAR that they posted the seminar on their website making it generally available to all members and affiliate members. As can be seen in the accompanying attendee roster, the seminar did not benefit a selected producer member of the SCCAR. It can also be seen that affiliate members were able to attend as several lenders also attended the seminar. Additionally, every attendee, whether they were a member of the SCCAR or not, were treated equally as there was no charge for any person that attended the event. The list of attendees demonstrates that the seminar was not held for a selected member but was open to all members and affiliate members.

First American respectfully answers that the sponsorship of the education seminar held by SCCAR on October 16 was permitted and done in accordance with WAC 284-29-220 and 284-29-235.

Respectfully submitted,

Matthew B. Sager
Sr. Operations Counsel

9000 E. Pima Center Parkway, Scottsdale, Arizona 85258

TEL 602-685-7511 • FAX 602-685-7015

msager@firstam.com

OIC Exhibit 7 - Page 1 of 1

EXHIBIT DIC-7



OFFICE OF
INSURANCE COMMISSIONER

March 5, 2015

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

OIC Case No: 1229571

Dear: Matthew B. Sager

This letter is to advise you that the Office of the Insurance Commissioner has received a complaint against First American Title Company (FATIC). Mr. Chris Schulz filed the complaint which alleges that FATIC sponsored, organized, and paid for, a presentation not related to title insurance, for the benefit of approximately 200 producers of title insurance business. In addition, Mr. Schulz alleges that FATIC co-advertised with the Snohomish County-Camano Association of Realtors (SCCAR) by allowing the FATIC logo and phone number to be placed on the flyer announcing the event.

I have been assigned to investigate this matter. As part of the investigative process, I am requesting that you provide this office with a written response to the allegation. Specifically, please address the following issues:

1. Please explain who initiated the, "Economic Forecast", presentation.
2. Please explain how many events like this has FATIC coordinated in the last two years.
3. Please explain the nature of the presentation, "Economic Forecast".
4. Please explain how this presentation subject matter complies with WAC 284-29-235.
5. Please explain how much payedpaid to rent the Lowes Cineplex in Lynwood, Washington.
6. Please explain how many hours FATIC spend coordinating the event.
7. Please explain what database FATIC used to send flyers.
8. Please explain who authorized FATIC to place the SCCAR logo on the flyer.
9. Please explain why the SCCAR logo is at the top of the flyer.
10. Please explain how this complies with WAC 284-29-260(1)(a), and RCW 48.29.210(2).
11. Please explain the purpose of attendees RSVP to, cs.snoco@firtam.com.
12. Please explain how many producers of title insurance business signed up for the event.
13. Please explain if you requested a donation of the attendees,

Mailing Address: P. O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501



MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

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



OFFICE OF
INSURANCE COMMISSIONER

Also, please provide this office with copies of the following documents:

1. A copy of the rental agreement between Lowes Cineplex and FATIC.
2. A copy of email between yourself and any SCCAR representatives.
3. A copy of email between you and Cobalt Mortgage.
4. A copy of the flyer you sent to your customers.
5. A copy of the list of attendees to the October 16, 2014 event.
6. An Excel spreadsheet with the name, date, address, group, rental receipts, catering bills, and the name of presenter, for each event that FATIC organized, or sponsored in Washington State from March 2013, to March 2015.
7. Copies of flyers created to advertise the events.
8. A full accounting of staff hours FATIC employees dedicated to organized the events in Washington State.

Please provide your written response and copies of the above listed documents by March 20, 2015. RCW 48.17.475 requires that licensees promptly reply in writing to an inquiry of the commissioner relative to the business of insurance within fifteen business days from the receipt of the inquiry. Failure to make a timely response constitutes a violation of this section.

We appreciate your cooperation in this matter. I may be reached directly at 360-725-7231 for further information.

Sincerely,

Handwritten signature of Barry M. Walden.

Barry M. Walden
Senior Investigator
Legal Affairs Division
360-725-7231/ BarryW@OIC.wa.gov

Mailing Address: P. O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501

