



OFFICE OF
INSURANCE COMMISSIONER

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Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

In Re the Matter of

PACIFIC NORTHWEST TITLE
INSURANCE COMPANY, INC.

An authorized insurer.

NO. D07-305

NOTICE OF HEARING

TO: Raymond L. Davis
Pacific Northwest Title Insurance Company, Inc.
215 Columbia Street
Seattle, Washington 98104-1511

The Honorable Mike Kreidler, Insurance Commissioner of the State of Washington, proposes disciplinary action against Pacific Northwest Title Insurance Company, Inc. and hereby issues this Notice of Hearing. The Insurance Commissioner submits the following as the basis of this Notice of Hearing in accordance with RCW 48.04.010.

1. PARTIES AND JURISDICTION

1.1 Pursuant to the Insurance Code, Title 48 RCW, the Insurance Commissioner is authorized to regulate the business of insurance and enforce the insurance laws of Washington State in order to protect the public interest.

1.2 Pacific Northwest Title Insurance Company, Inc. ("Pacific Northwest Title") is authorized to transact the business of insurance in Washington State and, therefore, is subject to Title 48 RCW and Chapter 284 WAC.

1.3 Jurisdiction and venue are appropriate under, among other provisions, RCW 48.02.060, RCW 48.05.185, and RCW 48.04.010.

2. FACTS

2.1 Pacific Northwest Title appointed Cascade Title of Clark County, Inc. ("Cascade Title") as its agent, pursuant to RCW 48.17.010, to solicit and effectuate Pacific Northwest Title's business of title insurance on Pacific Northwest Title's behalf.

2.2 On or about May 15, 2007, the Office of the Insurance Commissioner ("OIC") initiated an investigation of several title insurers, including Pacific Northwest Title. The Pacific Northwest Title investigation commenced with the OIC auditing its agent, Cascade Title, at its business office in Vancouver, Washington. OIC investigators obtained a copy of Cascade Title's checkbook, expense account documents, and realtor continuing education class expenses from December 1, 2006 through March 31, 2007.

2.3 The investigation revealed two violations of WAC 284-30-800. Between December 1, 2006 and March 31, 2007, Cascade Title provided the following items and services to real estate offices, real estate agents, and/or lenders while acting as a representative of Pacific Northwest Title and soliciting insurance business on Pacific Northwest Title's behalf:

- Cascade Title provided printouts from the online property information service MetroScan® to real estate agents, builders, and lenders at no charge.
- Cascade Title provided pastries costing \$60.40 to a Windermere Crest real estate office meeting.

3. APPLICABLE LAW AND ALLEGED VIOLATIONS

3.1 Pursuant to WAC 284-30-800(2), Pacific Northwest Title may not, directly or indirectly, offer, promise, allow, give, set off, or pay anything of value exceeding twenty-five dollars, calculated in the aggregate over a twelve-month period, on a per person basis in the manner specified in RCW 48.30.140, to any person as an inducement, payment, or reward for placing or causing title insurance business to be given to Pacific Northwest Title.

3.2 Pursuant to WAC 284-30-800(3), Pacific Northwest Title may not give inducements, payments or rewards to real estate agents and brokers, lawyers, mortgagees, mortgage loan brokers, financial institutions, escrow agents, persons who lend money for the purchase of real estate or interests therein, building contractors, real estate developers and subdividers, or any other person who is or may be in a position to influence the selection of a title insurer.

3.3 Pacific Northwest Title, by and through its agent Cascade Title, violated WAC 284-30-800 in the above-referenced two instances by giving inducements, payments, or rewards exceeding twenty-five dollars in value, per person per year, to real estate agents and brokers, mortgage loan brokers or lenders, and builders.

4. SANCTIONS REQUESTED

Pursuant to RCW 48.05.185, the Commissioner seeks imposition of a fine against Pacific Northwest Title in the amount of \$10,000.00.

5. NOTICE OF HEARING

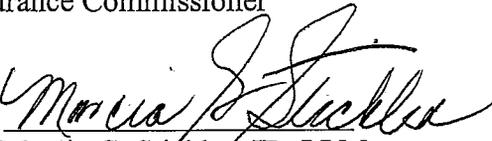
The OIC will convene a hearing at a date, location, and time to be determined, to consider the allegations above and the sanctions to be imposed upon Pacific Northwest Title pursuant to

RCW 48.04.010 and RCW 48.05.185. At the hearing, the OIC will present evidence showing that Pacific Northwest Title, by and through its agent Cascade Title, violated a regulation effectuated by the Commissioner pursuant to his authority under RCW 48.02.060, and that the sanction requested above is authorized under the law. Pacific Northwest Title may cross-examine OIC witnesses and present any defenses, evidence, or arguments it may have in opposition.

Dated this 25th day of January, 2008.

MIKE KREIDLER
Insurance Commissioner

By:


Marcia G. Stickler, JD, LLM
Legal Affairs Division

CERTIFICATE OF SERVICE

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 served the foregoing NOTICE OF HEARING on the following individuals in the manner indicated:

Raymond L. Davis
Pacific Northwest Title Insurance Company
215 Columbia Street
Seattle, Washington 98104-1511

(XXX) Via U.S. Mail

SIGNED this 25th day of January, 2008, at Tumwater, Washington.

Jodie Thompson
Jodie Thompson