

FILED

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HEARINGS UNIT
OFFICE OF
INSURANCE COMMISSIONER

**PETITION IN SUPPORT
OF THE FORM "A" STATEMENT
ON THE ACQUISITION OF CONTROL OF A DOMESTIC INSURER**

**REtitle Insurance Company
Name of Domestic Insurer**

BY

**A10 CAPITAL, LLC
Name of Acquiring Company (Applicant)**

**Filed with the Insurance Department of:
State of Washington
(State of domicile of insurer being acquired)**

Dated: October 25, 2017

**Name, Title, address and telephone number of Individual to Whom Notices
and Correspondence Concerning this Petition should be Addressed:**

**REtitle Insurance Company (Petitioner) and
Domestic Insurance Company Being Acquired**

David C. Bayley

President

Nancy R. Bayley

Secretary/Treasurer

P. O. Box 337

Union, WA 98592

(360) 427-8088 (David work)

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NAME OF FORM "A" APPLICANT

A10 Capital, LLC

Jerry Dunn

President

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Boise, Idaho 83702

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ITEM 1. METHOD OF ACQUISITION

State the name and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired.

Name: REtitle Insurance Company

Attn: David C. Bayley

Address: P. O. Box 337

Union, WA 98592

Brief Description of Acquisition

REtitle Insurance Company, a Washington corporation (hereinafter referred to as REtitle) will sell and A10 Capital, LLC, a Delaware limited liability company (hereinafter referred to as A10 Capital), will purchase for cash all of the outstanding common stock of REtitle.

ITEM 2. PURPOSE OF THIS PETITION

a) REtitle and A10 Capital have entered into a Stock Purchase Agreement (SPA) where REtitle will sell to A10 Capital and A10 Capital will purchase from REtitle all of the common stock of REtitle. The SPA is subject to the approval of the Insurance Department of the State of Washington, known as the Office of the Insurance Commissioner (referred herein as the OIC). REtitle is subject to an Order for Administrative Supervision dated December 2, 2016 issued by the OIC as a result of REtitle's inability to comply with the State of Washington legislative increase, effective July 1, 2005, of the minimum capital requirements for domestic title insurance underwriters.

b) This Petition is being submitted to the OIC to show that REtitle is in support of the A10 Capital's Form "A" application, which requests permission for the acquisition and change of control of the ownership of REtitle. The approval of A10 Capital's acquisition of REtitle, and the

subsequent adequate capitalization of REtitle, will allow the OIC to terminate and cancel the Administrative Order that the OIC issued on December 2, 2016. Such a termination and release would be to the benefit of the public.

c) Furthermore, REtitle and A10 Capital have negotiated with Mason County Title Company that once REtitle has sufficient capital to meet the OIC requirements as a domestic title insurance underwriter (as a result of A10 Capital's infusion of sufficient statutory capital reserves, as the new owner of REtitle), REtitle will lease the existing Title Plant owned by Mason County Title Company to underwrite title insurance policies in Mason County, State of Washington.

d) REtitle and A10 Capital have also negotiated a Title Agency/Underwriter Contract with Mason County Title Company where, when REtitle is approved as a title insurance underwriter, REtitle will execute the Title Agency/Underwriter Contract with Mason County Title Company as its Title Agent, with REtitle as the title underwriter for title orders placed in Mason County, Washington.

e) Once REtitle is approved to issue title policies, the addition of REtitle as a title insurance underwriter will provide more competition in the region, initially in Mason County, and as future plans are established in other counties in the State of Washington, REtitle will establish underwriting contracts with approved title agencies that currently issue title insurance policies for approved title insurance underwriters.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THIS PETITION

a) David C. Bayley is the sole owner of all of the common stock of REtitle.

b) David C. Bayley is the President of REtitle, and Nancy R. Bayley is the Secretary/Treasurer of REtitle.

c) David C. Bayley has been associated with REtitle (formerly known as Mason County Title Insurance Company) since January of 1977, acting as the attorney for the company, title examiner, and as Vice President and the general manager of both the title and the escrow departments of REtitle until management decided that REtitle stop issuing title insurance policies after

December 31, 1998. David C. Bayley became REtitle's President in March of 2008.

d) Nancy R. Bayley has been associated with REtitle since 1991, acting as its secretary and treasurer and continues to act in those capacities. She conducts all accounting and regulatory filings, reporting and correspondence with the OIC.

e) REtitle's Board of Directors is composed of David C. Bayley and Nancy R. Bayley.

f) Since David C. Bayley owns 100% of the stock of REtitle, and is also a co-owner of Mason County Title Company with Nancy R. Bayley, David C. Bayley files annually with the OIC as a Holding Company.

ITEM 4. STOCK PURCHASE AGREEMENT (SPA)

a) REtitle has entered into a SPA with A10 Capital which REtitle believes is a fair and reasonable agreement regarding the price that is being paid for the common stock of the company, the title insurance underwriting license (currently inactive), the reserves for future potential claims that have been established and approved by the OIC, and the assumption of liabilities for the outstanding title insurance policies issued by REtitle. As earlier stated, REtitle stopped issuing policies effective December 31, 1998, which, at the end of December 2017, will be 19 years ago.

b) The SPA includes a proposed Title Plant Lease with Mason County Title Company in conformity with the statutory requirements for a title insurance company to either own or lease an approved title plant in the State of Washington, and a proposed Title Agency/Underwriting Contract with REtitle as the title insurance underwriter and Mason County Title Company as its exclusive title agent for REtitle in Mason County, Washington.

c) REtitle has been informed by A10 Capital that it has more than sufficient funds to meet the minimum capital requirements for a domestic title insurance underwriter in the State of Washington.

d) Additionally, since A10 Capital is also a commercial lending institution and its core responsibility is to evaluate risk and the avoidance of that risk, REtitle believes the existing staff of attorneys and paralegals employed by

A10 Capital, and seasoned individuals with title insurance management skills that will be hired by A10 Capital in the future, will collectively form a disciplined risk management structure for a well-managed title insurance company. David C. Bayley has agreed to continue as the President of REtitle for the foreseeable future, until an individual with title insurance management experience is hired.

e) As large national title insurance underwriters continue to purchase regional title insurance underwriters, the competition in the title insurance industry is being reduced. Allowing REtitle to gain active status to issue title insurance policies will allow REtitle to compete with the national title insurance underwriters, and create a better environment for the consumer, with more competitive title insurance rates, and add to the selection of title underwriters from which a consumer can choose.

ITEM 5. RECENT APPROVALS TO SELL TO A10 CAPITAL

The Board of Directors of REtitle approved the Stock Purchase Agreement between REtitle and A10 Capital on July 25, 2017.

SIGNATURE. Pursuant to the requirements of RCW 48.31B.015, REtitle Insurance Company has caused this Petition In Support of the Form "A" Statement submitted by A10 Capital to be duly signed on its behalf in the City of Shelton, State of Washington on the 25th day of October 2017.

REtitle Insurance Company, a Washington corporation

BY: DAVID C. BAYLEY
PRESIDENT

By: David C Bayley (Signature: David C. Bayley)

BY: NANCY R. BAYLEY
SECRETARY/TREASURER

BY: N Bayley (Signature: Nancy R. Bayley)