

BEFORE THE STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

FILED

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In the Matter of
The Form A Application for the Proposed
Acquisition of Control of

Docket No. 17-0369

HEARINGS UNIT

OFFICE OF

INSURANCE COMMISSIONER

OIC CASE STATUS REPORT

RETITLE INSURANCE COMPANY

By

A10 CAPITAL, LLC

Pursuant to the Case Management Order section 7, for Docket No. 17-0369, as ordered by William Pardee, Presiding Officer, the Office of the Insurance Commissioner ("OIC") submits the following report.

a. Consolidation of Form A and Form E applications for the purposes of the adjudicative hearing.

The OIC agrees to the consolidation of the Form A and Form E applications for the purposes of the adjudicative hearing process. Information in the Form E is required under RCW 48.31B.015 to meet one of the six standards listed under subsection 4 of that section. The OIC will be required to provide testimony about the information filed under Form E that addresses the requirements according to RCW 48.31B.020(3) and the standards under RCW 48.31B.020(4).

b. Issues regarding the confidentiality of documents submitted in the Form A and Form E applications.

The OIC understands that the applicant wishes that certain information contained in the Exhibits listed below be considered confidential for this proceeding. Based on previous case determinations, the OIC recognizes certain exhibits of the Form A may contain sensitive information:

Exhibit A – Stock Purchase Agreement (certain portions and exhibits of this Agreement)

1 Exhibit E – Three-year UCAA proforma projection of REtitle

2 Exhibit H – Stock Purchase Agreement (Amended) (certain portions of this Agreement)

3 Exhibit I – Stockholder meeting minutes of REtitle

4 Based on statutory authority under RCW 48.31B.020, the OIC recognizes the Form E
5 to be considered confidential.

6 The parties are continuing discussions concerning information provided on the Form A
7 statement and also Exhibit B (ownership structure), Exhibit F (A10 Capital Holdings LLC
8 financial statements 2012 – 2016), Exhibit J (A10 Capital LLC internal financial statement as
9 of December 31, 2016 and September 30, 2017). Issues surrounding these exhibits remain
10 unresolved. A10 states that their request would also include redaction of anything in the Form
11 A application, or any of the addendums that disclose any of the information A10 deems
12 confidential.

13 The parties are continuing discussions concerning Exhibit A filed with Form E, and
14 how that information either pertains to, or lacks, adequate market analysis requirements under
15 RCW 48.31B.020.

16 **c. Requests for data or information to REtitle or Applicant and responses.**

17 **Form A statement:**

- 18 1. October 25, 2017: The OIC made a request for information from A10.
- 19 2. October 27, 2017: A10's response (Addendum No. 1) to the OIC's request was
20 received by the OIC.
- 21 3. November 8, 2017: Exhibits G, H, I, and J were submitted by A10 and received by the
22 OIC.
- 23 4. November 16, 2017: Exhibit I was filed by A10 and received by the OIC; Exhibit I
24 contains information dated March 20, 2017, and July 25, 2017.
- 25 5. November 16, 2017: the OIC made a request for information by letter.
- 26 6. November 21, 2017: A10's response (Addendum No. 2) dated November 20, 2017, was
received by the OIC.
7. November 28, 2017: the OIC requested information from A10 via email.

1 8. November 28, 2017: A10's response to the OIC's request was received via email.

2 **Form E statement:**

- 3 1. October 25, 2017: the OIC requested information from A10 via letter.
- 4 2. October 27, 2017: A10's response, dated October 25, 2017, to the OIC's request was
- 5 received.
- 6 3. October 27, 2017: the OIC received Exhibit A from A10.

7 **d. Plans of OIC staff to issue data and information requests to REtitle or Applicant**

8 **in the future.**

- 9 1. The OIC plans to request additional information regarding the ownership structure of
- 10 A10 and the principal controlling persons at each LLC level. The OIC now has an
- 11 understanding about the holding company structure, but certain individuals who may or
- 12 may not have been named in Form A require additional disclosure and possible
- 13 background investigation.
- 14 2. The third party verification firm hired to investigate the biographical affidavits
- 15 currently filed with the Form A has not sent reports to the OIC to date.
- 16 3. The OIC plans to request information from REtitle regarding its outstanding and issued
- 17 current common stock and the accounting of the common shares on its financial
- 18 statement.
- 19 4. The OIC plans to ask A10 additional questions raised by their responses to previous
- 20 OIC queries.
- 21 5. The OIC plans to re-convey the additional information requirements under RCW
- 22 48.31B.020 for the Form E filing to A10.
- 23 6. The OIC continues to gain an understanding about the applicant and obtain information
- 24 that would support its recommendation.
- 25 7. The OIC continues to discuss issues raised by the applicant concerning filed
- 26 information that it considers to be confidential due to trade secrets.
8. The OIC will convey that the requirements regarding the applicant's plans for the
- redomestication of REtitle to another state cannot proceed under the Form A process.
9. The OIC will convey the requirements regarding a proposed name change of REtitle.

1 **e. Estimated time to prepare written reports regarding the transaction.**

- 2 1. The OIC plans to conclude its analysis by December 15, 2017. The OIC plans to make
3 its recommendation based on the information provided in Form A and Form E, and
4 from its analysis, by December 20, 2017.
- 5 2. The OIC's recommendation will address the requirements under RCW 48.31.015(4)
6 and RCW 48.31B.020(3) and (4), and recommend either approval or disapproval of the
7 proposed transaction.

8 **f. Any other issues which may affect the issuance of a final recommendation by OIC
9 on applications and scheduling of adjudicative hearing.**

10 No other issues are noted at this time.

11 RESPECTFULLY SUBMITTED this 1 day of December, 2017.

12 

13 MIKE KREIDLER
14 Insurance Commissioner

15 By and through his designee

16 

17 DAVE JORGENSEN
18 Insurance Enforcement Specialist
19 Legal Affairs Division

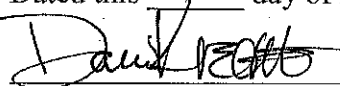
CERTIFICATE OF MAILING

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 OIC Case Status Report, Docket No. 17-0369, on the following persons listed below in the manner shown:

OIC Hearings Unit William Pardee, Presiding Officer 5000 Capitol Blvd. SE Tumwater, WA 98501 <i>Via Hand Delivery</i>	Ben Slaughter, General Counsel A10 Capital, LLC 800 West Main Street, Ste 1100 Boise, ID 83702 bslaughter@A10capital.com Richard Hoss, Attorney for REtitle Hoss & Wilson-Hoss LLP 236 West Birch Street Shelton, WA 98584 rhoss@hctc.net David Bayley, President, Retitle Insurance PO Box 278 Shelton, WA 98584 david.b@masoncountytittle.com Jerry Dunn, President, A10 Capital, LLC 800 West Main Street, Ste 1100 Boise, ID 83702 jdunn@A10capital.com <i>By depositing in the U.S. mail via state Consolidated Mail Service with proper postage affixed. Copies sent via email as well as identified above.</i>
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Dated this 18th day of December, 2017, at Tumwater, Washington.



DAWN KRECH
Paralegal
Legal Affairs Division