

BEFORE THE STATE OF WASHINGTON  
OFFICE OF THE INSURANCE COMMISSIONER

FILED

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HEARINGS UNIT  
OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of:

The Form A and Form E Applications for the  
Proposed Acquisition of Control of:

**REtitle Insurance Company,**

By

**A10 Capital, LLC,**

**Applicant.**

Docket No. 17-0369

**ORDER VACATING AMENDED  
FINAL ORDER APPROVING  
ACQUISITION OF CONTROL  
FILED MARCH 26, 2018**

**TO:** David Bayley, President  
Nancy Bayley, Vice President  
REtitle Insurance Company  
P.O. Box 278  
Shelton, WA 98584

Richard Hoss  
Hoss & Wilson-Hoss LLP  
236 West Birch Street  
Shelton, WA 98584

Ben Slaughter, General Counsel  
Jerry Dunn, President  
A10 Capital, LLC  
800 West Main Street, Suite 1100  
Boise, ID 83702

**AND TO:** Mike Kreidler, Insurance Commissioner  
James T. Odiorne, J.D., CPA, Chief Deputy Insurance Commissioner  
Doug Hartz, Deputy Commissioner, Company Supervision Division  
Ronald Pastuch, Holding Company Manager, Company Supervision Division  
Toni Hood, Deputy Commissioner, Legal Affairs Division  
Dave Jorgensen, Insurance Enforcement Specialist, Legal Affairs Division  
Office of the Insurance Commissioner  
PO Box 40255  
Olympia, WA 98504-0255

## BACKGROUND

On March 26, 2018, the undersigned entered “Amended Final Order Approving Acquisition of Control” (“Order”), ordering that the application of A10 Capital LLC (“A10”), for the Commissioner’s approval of its acquisition of control of REtitle Insurance Company (“REtitle”) (Forms A and E), a title insurer domiciled in the state of Washington, *pursuant to the Stock Purchase Agreement (“SPA”) dated July 25, 2017, as amended*, be approved.

On June 11, 2018, in correspondence to Ronald J. Pastuch of the Office of Insurance Commissioner’s (“OIC’s”) Company Supervision Division, General Counsel for A10, Ben Slaughter, stated that the owners of REtitle never executed a proposed extension agreement of the SPA, and therefore the SPA had terminated. In June 19, 2018 correspondence to the OIC’s Hearings Unit, David C. Bayley, President of REtitle, explains that when it became aware of the Order, on April 16, 2018 it reached out to A10 stating that it would agree to an additional 90 days to capitalize REtitle and close the transaction, provided it A10 showed a good faith commitment that it actually wanted to close on the SPA. Even though on May 9, 2018, A10 wrote to REtitle and confirmed it was very interested REtitle, on May 29, 2018, A10 confirmed its board had decided not to proceed with its acquisition of REtitle. On July 16, 2018, the OIC, REtitle and A10 executed and filed with the OIC Hearings Unit a “Stipulation to Vacate Amended Final Order Approving Form A” (“Stipulation”), stating: “[T]he parties hereby stipulate to vacate the [Order] because the acquisition of [REtitle] by [A10] will not proceed.” (Brackets added).

## ANALYSIS

RCW 48.31B.015 governs the OIC’s review of a Form A filed by an applicant. In particular, RCW 48.31B.015(5)(b) explains that RCW 48.31B.015 does not apply to “an offer, request, invitation, agreement, or acquisition which the commissioner by order exempts as not having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic insurer, or as otherwise not comprehended within the purposes of this section.” (Emphasis added).

RCW 48.31B.020 governs the OIC’s review of a Form E filed by an applicant. In particular, RCW 48.31B.020(2)(a) explains that RCW 48.31B.020 “applies to any acquisition in which there is a change in control of an insurer authorized to do business in this state.” (Emphasis added). RCW 48.31B.020(1)(a) defines “acquisition” as “any agreement, arrangement, or activity the consummation of which results in a person acquiring directly or indirectly the control of another person, and includes but is not limited to the acquisition of voting securities, the acquisition of assets, bulk reinsurance, and mergers.” (Emphasis added).

The consensus of the Stipulation and the correspondence that preceded it is that the Order should be vacated because the fundamental prerequisite for the Commissioner’s approval, i.e., the SPA, as amended, is no longer applicable, given A10’s termination of the same. Per RCW 48.31B.015(5)(b), RCW 48.31B.015 *does not* apply because A10’s termination of the SPA, as amended, *does not* have the effect of changing or influencing the control of REtitle, a domestic title insurer. Also, per RCW 48.31B.020(1)(a)-(b), RCW 48.31B.020 *does not* apply because A10’s termination *does not* result in a change in control of REtitle.

**ORDER**

Pursuant to the authority set forth above, and the authority set forth in RCW 34.05.060, RCW 34.05.437, WAC 284-02-070(2)(a), WAC 10-08-200(4), and WAC 10-08-230(2), **IT IS HEREBY ORDERED** that the Amended Final Order Approving Acquisition of Control, entered in this matter on March 26, 2018, is hereby vacated, and this adjudicative proceeding is closed.

Dated: July 17, 2018



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William G. Pardee  
Presiding Officer

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 filed and served the foregoing Order Vacating Amended Final Order Approving Acquisition of Control Filed March 26, 2018 on the following people at their addresses listed below:

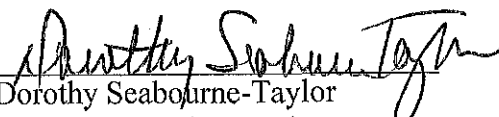
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Office of the Insurance Commissioner  
PO Box 40255  
Olympia, WA 98504-0255

Dated this 17<sup>th</sup> day of July, 2018, in Tumwater, Washington.

  
Dorothy Seabourne-Taylor  
Paralegal, Hearings Unit