

Exhibit A10 30

**BEFORE THE STATE OF WASHINGTON  
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

Docket No. 17-0369

**Declaration and Written Testimony of  
Jerry Dunn**

Jerry Dunn (“Affiant”) submits the following as written testimony supporting approval of the application for acquisition of control of REtitle Insurance Company (“REtitle”) by A10 Capital, LLC (“A10”) at the hearing scheduled in this matter for January 11, 2018.

Under penalty of perjury under the law of the State of Washington, I hereby declare as follows:

1. I am the Chief Executive Officer of A10, have personal knowledge regarding the testimony set forth in this document, and am competent to testify under oath regarding the same.
2. I am authorized to testify on behalf of A10 in this matter.
3. A10’s business plan regarding REtitle is summarized as follows:

Pursuant to the subject Stock Purchase Agreement, and simultaneous with the closing of the same (which includes funding the necessary capital into REtitle), REtitle will enter into a plant lease agreement and agency agreement with long-time REtitle affiliate, Mason County Title Company (MCTC). Copies of those agreements are attached to the Stock Purchase Agreement as Exhibits B and C. These agreements will allow REtitle to immediately commence actively writing title insurance policies in Washington.

A10's plan is to then provide all necessary financial resources and to recruit and hire experienced agency administrative personnel, with the goal of expanding REtitle's title insurance business regionally in the Pacific Northwest, and then nationally. In addition to operating its title insurance business, REtitle will also engage in statutorily authorized investment activities.

REtitle's current president and owner, David Bayley, will remain as president of REtitle for the indefinite future. A10 also intends to appoint Dinah Chu as REtitle's comptroller upon acquisition of the company. Both Mr. Bayley and Ms. Chu have extensive experience operating title insurance companies. *See* Biographical Affidavits, Form A, Exhibit C. Mr. Bayley and Ms. Chu will be supported by A10 staff during the initial months after the close of the Stock Purchase Agreement. In particular, A10 will supply REtitle with use of its in-house counsel and legal team, all of which is focused solely on real estate law and transactions, and A10's accounting staff (information regarding these key staff members is attached as Exhibit D to the Form A). This commitment by A10 will allow REtitle to safely write new business at appropriate surplus-to-premium levels.

A Board of Directors will be also appointed by REtitle, which will initially consist of the following individuals (Biographical Affidavits for these individuals are contained in Exhibit C of the Form A):

Jerry Dunn, Chairman  
Mark Klipsch  
Jackie Cox  
Ronald Frazier  
Kevin Lagerwey

Mr. Frazier and Mr. Lagerwey have extensive experience in the title insurance industry, and will provide support to the management team as the company rebuilds its business. *See* Biographical Affidavits, Form A, Exhibit C.

As the title business grows and accumulates operating income, REtitle will hire staff to fill all necessary roles for the company. A10 will continue supplying staffing support at no cost to REtitle until REtitle is capable of operating the business with its own resources.

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A10 Capital does not yet have a reinsurance treaty or facultative reinsurance agreement in place, but will cause REtitle to diligently seek such a contract after the approval of this acquisition. As permitted by R.C.W 48.05.330, reinsurance will be obtained from either a licensed title insurer, or an accepted commercial reinsurance underwriter such as one of the Lloyd's of London reinsurance

syndicates. The estimate of ceded premiums contained in the submitted pro forma is based upon this reinsurance plan. See Form A, Exhibit E.

4. A10's financial statements include highly sensitive trade secrets regarding its loans, including interest rates it charges its customers, financing sources, its risk rating structure, profitability, etc. A10 keeps this information confidential; only certain key employees, investors and its CPA's have access to this information. All individuals with access to this information are subject to confidentiality agreements which prohibit them from disclosing any of the information. As a result, this data is not generally known to the public; in particular, A10's competitors. A10's business model (which is revealed by reviewing its financial statements) is novel and unique in the commercial finance industry. Having this information made available to A10's competitors would be financially harmful to A10 because it would allow A10's competitors the ability to see what A10 is charging its customers and the corresponding amount of money A10 is making on its loans; this would effectively give A10's competitors an unfair peek at A10's playbook and make strategic decisions to counteract A10's business strategy. This would be extremely unfair and anti-competitive to A10's ability to continue effectively competing in the commercial real estate lending market.

5. A10 has substantial financial capital available for the initial infusion of money, and to maintain the capital and surplus minimums requisite of title insurers in the State of Washington. A10 commits to provide a cash investment into REtitle necessary to increase its surpluses and capital stock to the combined \$4,000,000 minimum. REtitle will maintain that minimum at all times after its acquisition, including by making additional cash investments as necessary. In that regard, A10 realizes that REtitle, which will be essentially in startup mode for a period of time post-acquisition, will require operating capital to finance its growth, and A10

will make the necessary cash investments to provide that operating capital.

6. Neither A10, nor any of its members or affiliates, has any share in any insurance market anywhere.

7. A10 has no plan to liquidate REtitle, sell its assets, consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, which are unfair or unreasonable to its policyholders. This means that all existing policyholders of REtitle will continue to have the benefits of REtitle's responsibility for these obligations. REtitle has no plans to transfer, reinsure or otherwise change in any fashion the nature or extent of REtitle's obligations to its existing policyholders. To the contrary, A10's business plan will enable REtitle to resume its title insurance business and increase its reserves to provide additional financial stability for its current and future policyholders.

I declare under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct.

Executed under oath this 8<sup>th</sup> day of January, 2018.

  
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Jerry Dunn

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 8<sup>th</sup> day of January, 2018, a true and correct copy of the above and foregoing document was forwarded addressed as follows in the manner stated below, pursuant to the Case Management Order filed herein:

Via Email to:

Hearings Unit ([HearingsU@oic.wa.gov](mailto:HearingsU@oic.wa.gov))  
Dawn Krech ([Dawn@oic.wa.gov](mailto:Dawn@oic.wa.gov))  
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Via FedEx to:

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W. BEN SLAUGHTER