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BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

<p>UTAH INSURANCE DEPARTMENT, Complainant, vs. FIRST AMERICAN TITLE INSURANCE COMPANY, Company ID 340, 1 First American Way, Santa Ana, Cal. 920707-5913 Respondent.</p>	<p>STIPULATION AND ORDER</p> <p>Docket No. <u>2014-043-PC</u></p> <p>Enforcement Case No. <u>3375</u></p> <p>Mark E. Kleinfield Administrative Law Judge</p>
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STIPULATION

The Utah Insurance Department ("Department"), by and through its legal counsel, and First American Title Insurance Company ("Respondent"), hereby stipulate and agree as follows:

1. Respondent First American Title Insurance Company is an active foreign title insurance company authorized to do business in the state of Utah under Company ID 340.

Respondent's address is 1 First American Way, Santa Ana, California 92707-5913.

2. The Department has jurisdiction over the parties and the subject matter of this

administrative action.

3. Respondent acknowledges notice of agency action pursuant to Utah Code § 63G-4-210; acknowledges that this Stipulation and Order is part of an informal proceeding pursuant to Utah Code § 63G-4-202; and irrevocably waives the right to any hearing, review or appeal concerning this matter.

4. Respondent has the right to be represented by legal counsel and waives this right by either having sought the advice of legal counsel or by having voluntarily chosen not to do so.

5. Upon approval and signing by the parties, this signed Stipulation, along with the signed Findings of Fact, Conclusions of Law and Order, shall not be subject to any reconsideration, renegotiation, modification, hearing or agency review or appeal.

6. The Findings of Fact, Conclusions of Law and proposed Order presented below are accepted by the parties. Respondent's acceptance is not an admission of liability.

7. The issuance of the proposed Order below is for the sole purpose of disposing of the specific matters addressed in the Findings of Fact and Conclusions of Law regarding the activities of the Respondent, its subsidiaries and operating divisions in the State of Utah occurring prior to the full approval and signing of the proposed Order.

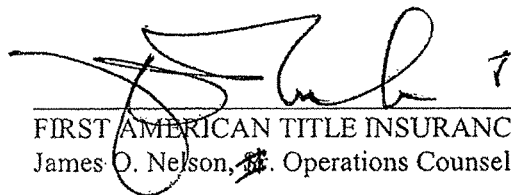
8. The only promises, agreements and understandings that the parties have regarding this matter are contained in this Stipulation.

9. Respondent, enters into this Stipulation voluntarily, knowingly, and free from any coercion of any kind.


10. The persons signing this Stipulation on behalf of the named parties hereby affirm that they are authorized to sign and bind the parties.

11. If the proposed Order is not approved and signed by both the Administrative Law Judge and the Title and Escrow Commission, this Stipulation will be considered void and of no effect.

Dated this 13th day of April, 2014.


FIRST AMERICAN TITLE INSURANCE COMPANY
James O. Nelson, ~~is~~ Operations Counsel

Dated this 14th day of April, 2014.


UTAH INSURANCE DEPARTMENT
Gary D. Josephson
Assistant Attorney General

Based upon the foregoing Stipulation and Department file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. The Department received a complaint alleging that unlicensed title insurance business was being conducted by First American Title Insurance Company ("FATICO").
2. An investigation commenced and through the course of the investigation it was determined that FATICO, through its division, First American Mortgage Services ("FAMS"), issued 19 title insurance policies direct to Utah Consumers during the time period January 2009

through December 2010 without using any of FATICO's resident agents or by any of FATICO's direct operation offices in Utah. It was also determined that FATICO conducted escrow closings in conjunction with these 19 policies without having filed a schedule of escrow charges with the Department.

3. Following multiple emails and a June 27, 2013 face-to-face meeting to clarify the Department's position, a recommendation for enforcement letter dated September 6, 2013 was sent to Respondent;. Respondent requested additional time and a meeting with the State Insurance Commissioner. On October 30, 2013, a meeting occurred; wherein, Respondent addressed the alleged violations and its position orally and in writing.

4. At all times during the investigation, Respondent was cooperative and responsive. No Utah consumers were adversely affected by the actions of Respondent. An agreement on an administrative forfeiture has been reached.

5. Respondent has agreed to an administrative forfeiture in the total amount of \$73,000.00 for issuing title insurance directly to consumers through FATICO's division, First American Mortgage Services, and for using unfiled escrow charges during the time period of January 2009 through December 2010.

Based upon the foregoing Stipulation and Findings of Fact, the following conclusions of law are entered:

CONCLUSIONS OF LAW

1. A former, applicable Utah Code § 31A-14-211 placed restrictions on foreign title insurers. During calendar years 2009 and 2010, in violation of Section 31A-14-211, in effect at

the time, Respondent issued 19 title insurance policies direct to consumers without using any of its resident agents or through any of FATICO's direct operations in Utah.

2. Utah Code § 31A-19a-209 requires a title insurer to file escrow charges with the Commissioner prior to conducting a real estate closing. Respondent failed to file a schedule of escrow charges prior to calendar years 2009 and 2010.

3. An administrative forfeiture in the amount of \$73,000 is appropriate in this matter.

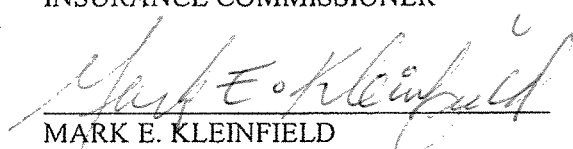
RECOMMENDED ORDER

IT IS RECOMMENDED THAT THE TITLE AND ESCROW COMMISSION APPROVE AND ADOPT THE FOLLOWING ORDER, WITH PENALTY:

Based on the Stipulation, Findings of Fact and Conclusions of Law, Respondent First American Title Insurance Company shall be assessed an administrative forfeiture in the amount of \$73,000 to be paid to the Department within thirty (30) days of the date of the Commission's Order.

DATED this 14th day of April, 2014.


TODD E. KISER
INSURANCE COMMISSIONER


MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department

ADOPTION OF RECOMMENDED ORDER, WITH PENALTY

By a Vote of ²~~3~~ to 0, taken in open meeting on this date, the Utah Title and Escrow Commission hereby adopts the recommended order of the presiding officer and imposes the recommended penalty.

DATED this 12th day of May, 2014.


KIRK D. SMITH, Chairman
Title and Escrow Commission

NOTIFICATION TO RESPONDENT

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeitures of up to \$5,000 per violation and the suspension of revocation of your license and the filing of an action in District Court, which may impose forfeitures of up to \$10,000 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

COMMISSIONER CONCURRENCE

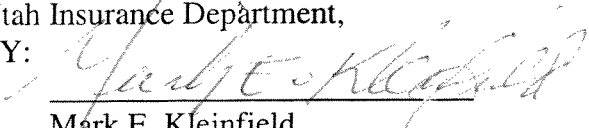
WITH COMMISSION IMPOSED PENALTIES

The Commissioner of the Utah Insurance Department hereby concurs with the above and forgoing Utah Title and Escrow Commission imposed penalties in the present adjudicative proceedings.

Dated this 12th day of May, 2014.

TODD E. KISER,
Commissioner,
Utah Insurance Department,

BY:


Mark E. Kleinfield
Administrative Law Judge