

**STATE OF OREGON**  
**DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**  
**INSURANCE DIVISION**

In the Matter of **American Title Group, Inc.** ) **STIPULATION** and  
) **FINAL ORDER**  
) Case No. INS 05-12-003

**STIPULATION**

The Director of the Oregon Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against American Title Group, Inc. (ATG), now known as US Title Group, Inc.

ATG desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.415(5).

ATG waives all rights relative to an administrative hearing and judicial review thereof.

ATG stipulates to the following facts, conclusions, action, and to the issuance of a final order incorporating this stipulation.

**Facts and Conclusions**

**Licensing Information**

ATG has been licensed in Oregon as a resident business entity insurance producer for the class of title insurance since 9/3/93. ATG's last recorded business address is located in Eugene, Oregon.

**Withheld Moneys or Property**

ATG violated ORS 744.074(1)(d) in numerous instances by engaging in the following conduct. ORS 744.074(1)(d) prohibits a person from improperly withholding, misappropriating, or converting, any moneys or properties received by the person in the course of doing insurance business. At all relevant times, ATG was an authorized agent of Stewart Title Insurance Company of Oregon (STICO). ATG was authorized to sell and issue title insurance policies, and received premium therefor, on behalf of STICO. ATG was obligated to forward to STICO each month

a percentage of the premium received by ATG for policies it issued on behalf of STICO. From September to December 2004, ATG issued title insurance policies, and received premium therefore, on behalf of STICO. However, ATG did not forward to STICO any of the premium but instead used it to pay business expenses. On 12/22/04, ATG issued to STICO a promissory note in the amount of about \$97,000 promising to make monthly installment payments plus interest until 5/1/05 when the money would be repaid. ATG paid the January installment but did not pay any further installments. In February 2005, STICO terminated ATG's authority to sell title insurance on behalf of STICO, and sued ATG for *inter alia* breaching the promissory note and for failing to forward to STICO additional premium. On or about 9/26/05, ATG borrowed a sum of money and paid it to STICO to settle the suit. On 10/31/05, ATG sold to Pacific NW Title of Lane County, LLC, its assets including its title plant and the right to use the name of "American Title Group." ATG changed its name to US Title Group, Inc., and ceased operations as a title insurance producer.

#### Failed to Deposit Insurance Premium into Trust Account

ATG violated ORS 744.083(1) in numerous instances. ORS 744.083(1) requires a person that is licensed in Oregon as a resident insurance producer to deposit into an insurance premium trust account all premium received by the insurance producer, unless permitted otherwise, and keep the premium therein until paid to the person entitled thereto. From 9/3/93 to sometime in February 2005, ATG received premium for title insurance and deposited it into an account containing money other than premium. ATG deposited the premium into the other account because ATG did not have an insurance premium trust account.

#### Failed to Notify Director of Affiliation of Insurance Producer and

#### Failed to Notify Director of Termination of Affiliation of Insurance Producer

ATG violated ORS 744.068(5) in two instances by engaging in the following conduct. ORS 744.068(5) requires a business entity insurance producer that either authorizes an individual insurance producer, or terminates the authority of an individual license producer, to transact insurance on behalf of the business entity

insurance producer to notify the Insurance Division with 30 days of the authorization or termination. In late June 2005, ATG terminated that authority of David S. Driskill (Driskill) to transact title insurance on behalf of ATG. In early July 2005, ATG authorized Curtis R. Irving (Irving) to transact title insurance on behalf of ATG. ATG has not notified the Insurance Division that ATG terminated the authorization of Driskill or authorized Irving.

#### Gave a Thing of Value to Intermediary

ATG violated OAR 836-080-0315 in one instance by engaging in the following conduct. OAR 836-080-0315 prohibits a person licensed in Oregon as an insurer or insurance producer that is authorized to transact title insurance from giving a thing of value, as defined in OAR 836-080-0310(4)-(5), to an intermediary, as defined in OAR 836-080-0310(2), unless permitted by OAR 836-080-0320 to 836-080-0340.

ATG was a title insurance producer. Mortgage brokers and realtors are intermediaries. Providing a service is a thing of value. There are no applicable exceptions for a title insurer or insurance producer to provide for free a service to an intermediary relative to a marketing activity sponsored in whole or in part by the intermediary. Western Mortgage Brokers, Inc. (WMB) and ATG jointly sponsored a seminar called the “How to Become a Superstar Real Estate Agent” or “The Show: Making your business run like a business” held on 9/12/05 at the Hilton Hotel Ballroom, in Eugene, Oregon. WMB prepared a flyer announcing the seminar. The flyer said that “This seminar will introduce you to the proven strategies of building a perfect real estate sales business.” The flyer indicated that “Group coaching fees will be waived for new ‘business partners’ of Western Mortgage Brokers, Inc. and American Title Group.” The flyer instructed realtors that they could register for the seminar by “completing the bottom of the flyer and returning it to Vivian Cole at American Title Group or Jen Neff of Western Mortgage Brokers, Inc....”The flyer informed recipients with questions about registering to call Neff or Cole. However, the flyer provided only for Cole to acknowledge receipt of the registration form and payment. ATG did not help pay for the seminar. Before the seminar, ATG helped distribute the flyers to realtors. After ATG helped distribute the flyers, but shortly

before the seminar, ATG asked the Insurance Division if ATG may participate in the seminar. The Insurance Division told ATG that it may not participate in the seminar. ATG immediately discontinued its participation in the seminar.

Failed to Completely Respond to Director's Inquiry

ATG violated ORS 731.296 in one instance by engaging in the following conduct. ORS 731.296 requires a person licensed in Oregon as an insurance producer to promptly and truthfully respond to inquiries from the director. On 9/29/05, the Insurance Division sent by e-mail and certified mail a letter to ATG at its last recorded business mailing address of 560 Country Club Parkway Suite 110, Eugene, OR 97401-6083. The letter requested ATG to provide certain information to the Insurance Division by 10/20/05. On 10/18/05, the Insurance Division received by fax from ATG a undated letter providing most but not all of the requested information. ATG did not answer question 7a, 7b, a portion of 10g, and 10j. Questions 7a and 7b related to ATG failing to notify the Insurance Division of terminating the authority of Driskill and authorizing Irving. Questions 10g and 10j related to ATG failing to forward premiums to STICO. Thus, ATG's response was incomplete.

Failure to Own and Maintain Title Plant

ATG is subject to enforcement action pursuant to ORS 731.438(5) because of the following circumstances. ORS 731.438(5) requires a title insurer and title insurance producer to own and maintain a title plant. On 10/31/05, ATG sold its title plant to another title insurance producer. Thus, ATG no longer owns a title plant.

**Action**

Pursuant to ORS 731.988, ATG is assessed a civil penalty of \$15,000. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The payment shall be delivered to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE, Room 440 (4<sup>th</sup> Floor), Salem, Oregon; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment is due on, and shall be received by the Insurance Division by, the date of the final order.

As consideration for the director not further investigating or taking other enforcement action against ATG, ATG agrees to surrender its Oregon resident business entity insurance producer license effective on the date of this stipulation, and shall never apply for any license authorized by ORS Chapter 744.

Dated January 31, 2006

/s/ Curtis R. Irving  
[Signature of Representative]  
Curtis R. Irving  
[Printed Name of Representative]  
President  
[Printed Title of Representative]

American Title Group, Inc.  
now known as US Title Group, Inc.

### **FINAL ORDER**

The director incorporates herein the above stipulation, adopts it as the director's final decision in this proceeding, and orders that the action stated therein be taken.

Dated February 21, 2006

/s/ Joel Ario  
Joel Ario  
Administrator  
Insurance Division  
Department of Consumer and Business Services

//  
//  
//