

FILED

MAY 10 2023

Department of Insurance
State of Idaho

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

FIRST AMERICAN TITLE COMPANY, INC.
(MADISON COUNTY)

License No. 5626

Docket No. 18-4258-23

**ORDER ADOPTING REPORT
OF EXCEPTION EXAMINATION
AS OF DECEMBER 31, 2021**

The Idaho Department of Insurance (“Department”), in accordance with Idaho Code §§ 41-219(1) and (5) and 41-2710(7), has examined the affairs, transactions, assets, tract indexes, abstract records, and other records of First American Title Company, Inc., Madison County (“First American”) for the period of January 1, 2017, through December 31, 2021. The Department’s verified Report of Examination (“Report”), reflecting the examiner’s findings, was then filed with the Department per Idaho Code § 41-227.

Having reviewed the Report and record, the Director enters this Order adopting the Report as filed. A copy of the Report is attached to this Order as Exhibit “A”.

FINDINGS OF FACT

1. First American is a title agency licensed by the Department to transact title insurance in Madison County, Idaho, under License No. 5626.

2. On or about December 14, 2022, the Department completed an examination of First American’s practices and procedures, per Idaho Code §§ 41-2710(7) and 41-219(1) and (5), to determine whether they complied with title 41, Idaho Code, and any related rules. The examiner’s findings are documented in the Report. In summary, the examiner found that First American violated the Department’s rules as follows:

- In February 2017, First American violated IDAPA 18.01.56.014.01 and 18.01.56-Exhibit 1(4)(h)¹ on one occasion by purchasing and distributing a total of \$100.00 in gift cards as prizes during a Superbowl party for producers of title business; and
 - In February 2018, First American violated IDAPA 18.01.56.014.01 and 18.01.56-Exhibit 1(4)(h)² on one occasion by purchasing and distributing a total of \$250.00 in gift cards as prizes during a Superbowl party for producers of title business.
3. Based on these findings, the examiner recommended First American:
- Revise its procedures to ensure future self-promotional items comply with the Department's rules; and
 - Pay a \$1,050.00 administrative penalty (consisting of a \$300.00 penalty for the violation in February 2017, and a \$750.00 penalty for the violation that occurred in February 2018).
4. Per Idaho Code § 41-227(4), the Department's examiner-in-charge filed the Report with the Department on January 11, 2023. A copy of the Report was transmitted to First American on January 17, 2023.
5. Per Idaho Code § 41-2710(7), First American had 28 days from the receipt of the Report to make a written submission or rebuttal with respect to matters in the Report.
6. On January 19, 2023, the Department received a Waiver from First American signed by Quinn Stufflebeam, First American's CEO and authorized signatory. A copy of the Waiver is attached hereto as Exhibit "B". By executing the Waiver, First American consented to the Director's immediate entry of a final order adopting the Report without modification. First American also

¹ In February 2017, when the violation occurred, IDAPA 18.01.56.014.01 (3-30-07) was applicable, this rule was re-designated as IDAPA 18.05.01.031.04(a), effective March 20, 2020, and IDAPA 18.01.56-Exhibit 1(4)(h) was applicable, this rule was re-designated as Exhibit 1(4)(h) an attachment to IDAPA 18.05.01, effective March 20, 2020.

² In February 2018, when the violation occurred, IDAPA 18.01.56.014.01 (3-29-17) was applicable, this rule was re-designated as IDAPA 18.05.01.031.04(a), effective March 20, 2020, and IDAPA 18.01.56-Exhibit 1(4)(h) was applicable, this rule was re-designated as Exhibit 1(4)(h) an attachment to IDAPA 18.05.01, effective March 20, 2020 .

waived its rights to: (1) examine the Report for not more than 28 days; (2) make a written submission or rebuttal to the Report prior to entry of a final order; (3) request a hearing; and (4) seek reconsideration or appeal from the Director's final order.

CONCLUSIONS OF LAW

7. Idaho Code § 41-227(5) requires the Director to fully consider and review the Report, together with any written submissions or rebuttals and any relevant portions of the examiner's work papers and enter an order adopting the Report as filed or with modifications or corrections, rejecting the Report and reopening the examination, or calling for an investigatory hearing.

8. First American's actions are considered violations and administrative penalties are appropriate per Idaho Code §§ 41-2708(3), 41-117, 41-2710(7), IDAPA 18.01.56.014.01, and IDAPA 18.01.56-Exhibit 1(4)(h).

9. Having fully considered the Report and record, the Director concludes that, regarding the matters examined, the Report's comments, findings, and recommendations are appropriate and should be incorporated herein as if set forth in full.

ORDER

NOW, THEREFORE, IT IS ORDERED:

1. The Report is adopted as filed;
2. Per Idaho Code §§ 41-227(8) and 41-2710(7), the adopted Report is a public record and shall not be subject to the exemptions from disclosure in chapter 1, title 74, Idaho Code;
3. Per Idaho Code § 41-227(6)(a), within 30 days of the service date of this Order, First American must file, with the Department's chief examiner, affidavits executed by each of its directors or, if none, its principal officers, stating under oath that they have received a copy of the adopted Report and related orders.
4. Within 30 days of the service date of this Order, First American must: (a) pay the

Department a \$1,050.00 administrative penalty, and (b) revise its policies and procedures to ensure that any future self-promotional items comply with IDAPA 18.05.01.031.04(a), and Exhibit 1(4)(h).

DATED AND EFFECTIVE this 11 day of ^{April}~~March~~, 2023.

STATE OF IDAHO
DEPARTMENT OF INSURANCE



DEAN L. CAMERON
Director

NOTIFICATION OF RIGHTS

This is a final order of the agency. Any party may file a motion for reconsideration of this final order within 14 days of the service date of this order. The agency will dispose of the motion for reconsideration within 21 days of its receipt, or the motion will be considered denied by operation of law. *See* Idaho Code § 67-5246(4).

Any such motion for reconsideration shall be served on the Director of the Idaho Department of Insurance, addressed as follows:

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83720-0043

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may file a petition for judicial review in the district court of the county in which:

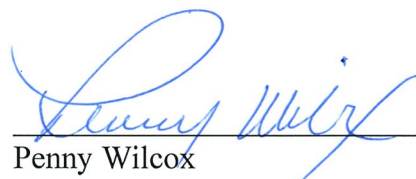
- i. A hearing was held;
- ii. The final agency action was taken;
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho; or
- iv. The real property or personal property that was the subject of the agency action is located.

A petition for judicial review must be filed within 28 days of: (a) the service date of this final order, (b) the service of an order denying motion for reconsideration, or (c) the failure within 21 days to grant or deny a motion for reconsideration, whichever is later. *See* Idaho Code § 67-5273. The filing of a petition for judicial review does not itself stay the effectiveness or enforcement of the order under appeal. Idaho Code § 67-5274.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 10th day of May, 2023, I caused a true and correct copy of the foregoing ORDER ADOPTING REPORT OF EXCEPTION EXAMINATION AS OF DECEMBER 31, 2021, to be served upon the following parties by the designated means:

FIRST AMERICAN TITLE C/O Title Financial Corporation Attn: Anita McMurtrey 195 S. Broadway Blackfoot, ID 83221	☐ First Class Mail ☒ Certified Mail ☐ Hand Delivery ☐ Facsimile ☒ Email: anita.mcmurtrey@titlefc.com
John Keenan Deputy Attorney General IDAHO DEPARTMENT OF INSURANCE 700 W. State Street, 3 rd Floor P.O. Box 83720 Boise, ID 83720-0043	☐ First Class Mail ☐ Certified Mail ☐ Hand Delivery ☐ Facsimile ☒ Email: john.keenan@doi.idaho.gov



Penny Wilcox



REPORT OF EXCEPTION EXAMINATION

For the Period January 1, 2017 to December 31, 2021

Of

FIRST AMERICAN TITLE COMPANY, INC.
(a title agent corporation - license #5626 – Madison County)

As of

December 31, 2021

Equal Opportunity Employer

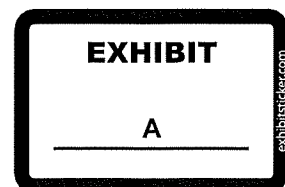


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Boise, Idaho
December 14, 2022

The Honorable Dean L. Cameron
Director of the Idaho Department of Insurance
700 West State Street
Boise, Idaho 83720

Sir:

Pursuant to your instructions and in conformity with Idaho Code §§ 41-219, 41-220, and 41-2713, an examination has been made of the administrative affairs, books, records, and financial condition of;

First American Title Company, Inc.
535 First American Circle
Rexburg, Idaho 83440-5400
License #5626 – Madison County

Hereinafter referred to as “Agent”.

The following Report of Exception Examination is respectfully submitted.

FOREWORD

This is an exception examination report of the practices and procedures of First American Title Company, Inc., an Idaho Title Agent licensed in Madison County. The examination was conducted remotely from the offices of the Idaho Department of Insurance (the "Department") located at 700 West State Street, 3rd Floor in Boise, Idaho.

In performing this examination, the examiner(s) reviewed a sample of the Agent's procedures, files, and documentation. Some noncompliant practices may not have been discovered during this examination. However, failure to identify or criticize specific practices, products, or files does not constitute approval thereof by the Department.

It should be recognized that the examination comments are restricted to areas of concern and are not intended as commentary on the various favorable aspects of the Agent's operations. It should be further understood that these comments should not be regarded as reflecting on the integrity or capabilities of individuals at the Agent. As such, this report may not fully reflect the procedures and practices of the Agent.

This examination report cites Idaho Statute and administrative rules promulgated by the Department. Statute and rule citations are current unless otherwise noted.

The final examination report documents consist of the examiners' report, the Agent's response, and any administrative actions based on the findings of the Department. The goal of the examination team was to produce an examination report that reflects agreement in content with the Agent. The report indicates where agreement was or was not possible.

PURPOSE AND SCOPE OF EXAMINATION

The purpose of this examination is to determine compliance with applicable Idaho Statutes, and promulgated rules issued by the Department. In addition, examiners may have documented practices and procedures that did not appear to be in the best interest of Idaho insurance consumers.

The period covered by this examination is January 1, 2017 through December 31, 2021. Specific areas examined include operations/management, claims, advertising and marketing, title file review and escrow fiduciary account and file review.

The authority of the Department to perform this examination includes, but is not limited to, Idaho Code § 41-2710(7), which grants authority to the Department to regular examinations of the tract indexes, abstract records, and any other records to ascertain compliance with title 41, Idaho Code, and related rules, of a title agent not more than every fifth year, unless the agent otherwise requests or the director has cause to believe the same does not comply with said title or the rules thereunder.

EXECUTIVE SUMMARY

The examination found the following areas of concern:

- **Exception:** The Agent purchased and distributed a total of \$100.00 in gift cards comprising four (4) \$25.00 individual gift cards as prizes during a Superbowl party for producers of title business.

The Agent was in violation of IDAPA 18.01.56.014.01¹ and IDAPA 18.01.56-Exhibit 1(4)(h)² for providing a total of \$100.00 in gift cards, a thing of value and self-promotional item not allowed for producers of title business.

- **Exception:** The Agent purchased and distributed a total of \$250.00 in gift cards comprising five (5) \$50.00 individual gift cards as prizes during a Superbowl party for producers of title business.

The Agent was in violation of IDAPA 18.01.56.014.01³ and IDAPA 18.01.56-Exhibit 1(4)(h)⁴ for providing a total of \$250.00 in gift cards, a thing of value and self-promotional item specifically not allowed for producers of title business.

The two (2) exceptions above are noted herein Section II. Advertising and Marketing, pages 7-9.

¹ In February 2017, when this expense occurred, IDAPA 18.01.56.014.01 (3-30-07) was applicable, this rule was re-designated as IDAPA 18.05.01.031.04(a), effective March 20, 2020.

² In February 2017, when this expense occurred, IDAPA 18.01.56-Exhibit 1(4)(h) was applicable, this rule was re-designated as Exhibit 1(4)(h) an attachment to IDAPA 18.05.01, effective March 20, 2020, and is available on the Idaho Department of Insurance website at: <https://doi.idaho.gov/wp-content/uploads/info/rules/18.05.01.pdf>

³ In February 2018, when this expense occurred, IDAPA 18.01.56.014.01 (3-29-17) was applicable, this rule was re-designated as IDAPA 18.05.01.031.04(a), effective March 20, 2020.

⁴ In February 2018, when this expense occurred, IDAPA 18.01.56-Exhibit 1(4)(h) was applicable, this rule was re-designated as Exhibit 1(4)(h) an attachment to IDAPA 18.05.01, effective March 20, 2020, and is available on the Idaho Department of Insurance website at: <https://doi.idaho.gov/wp-content/uploads/info/rules/18.05.01.pdf>

HISTORY AND DESCRIPTION

TitleWest, Inc., was formed and incorporated on July 9, 1973. On April 11, 1975, they merged with Sun Valley Title, Inc. On May 28, 1975, they were licensed with the Department in Madison County. On February 27, 1981, they merged with TitleWest of Twin Falls, Inc., First American Title Company of Sandpoint, Inc., and First American Title Company of Pocatello, Inc. On March 31, 1981, they changed their name to First American Title Company, Inc. On July 1, 1982, they merged with Nez Perce County Title Company, Inc. On November 28, 2003, First American Title Holding Company (FATHCO) was formed and incorporated. On December 26, 2003, the Agent was merged into its new parent company, FATHCO. On September 29, 2011, FATHCO changed its name to Title Financial Corporation. First American Title Company, Inc., is a wholly owned subsidiary of Title Financial Corporation. They conduct business in Madison County out of offices in Rexburg, Idaho.

PRIOR EXAMINATION

Our examination included a review to determine if the eighteen (18) exceptions noted in the preceding report of exception examination dated November 30, 2017, which covered the period of January 1, 2012 to December 31, 2016 were addressed. We determined that the Agent satisfactorily addressed these exceptions.

EXAMINATION FINDINGS AND RECOMMENDATIONS

I. OPERATIONS AND MANAGEMENT

The examination included a review of the Agent's operations and management. The focus of this section of the examination includes review of management and control, contracting authority, surety bond, claims, and financial interests of the title entity management and ownership.

A. MANAGEMENT, CONTROL AND FINANCIAL INTERESTS **IDAPA 18.05.01.014 & 015**

As of October 3, 2022, the Idaho Secretary of State lists Quinn H. Stufflebeam as Registered Agent and President, Janae Humphrey as Treasurer, and Anne M. Howe as Secretary. The Vice Presidents are listed as Peggy Turner, Robert J. Sewell III, and Jace McInelly. The Directors are listed as Quinn H. Stufflebeam, Kevin G. Fink, Jerry Hong, Ted Lovec, Joe Parkinson, Donald P. Kennedy II, and Charlotte Law. Scott Stears is a Vice President and County Manager at the Agent. No exceptions were noted as a result of this portion of the examination.

B. CONTRACTING AUTHORITY
Idaho Code § 41-2710(2)

The Agent has underwriting contracts with First American Title Insurance Company, Old Republic National Title Insurance Company, Commonwealth Land Title Insurance Company, Fidelity National Title Insurance Company, Chicago Title Insurance Company, Westcor Land Title Insurance Company, and National Title Insurance Company of New York, Inc. The underwriting contract with First American Title Insurance Company requires a high liability approval for risks in excess of \$2,000,000.00 and is subject to a \$2,500.00 deductible for loss. All the other underwriting contracts require a high liability approval for risks in excess of \$1,000,000.00 and are subject to a \$5,000.00 deductible for loss. No exceptions were noted as a result of this portion of the examination.

C. SURETY BOND
Idaho Code §§ 41-2710(6), 2711
IDAPA 18.05.01.021.07 & 08

The Department has on file surety bond #70956858 in the amount of \$50,000.00 issued by Western Surety Company on behalf of the Agent. We confirmed during the examination that this bond is currently active. No exceptions were noted as a result of this portion of the examination.

D. CLAIMS
Idaho Code § 41-2708(1) & (2)

The Agent reported five (5) claims during the examination period. The claims appear to be related to purported missed easements, boundary line discrepancies, and/or oversights on the part of employees of the Agent. There does not appear to be any problem with the title plant. No exceptions were noted as a result of this portion of the examination.

II. ADVERTISING AND MARKETING
Idaho Code § 41-2708(3) & (4)
IDAPA 18.05.01.031 & Exhibit 1

The examination included a review of the Agent's marketing and sales practices. A general ledger for each year under examination for all accounts involving contributions, donations, sales expenses, travel and meal expenses, Agent/staff function expenses, as well as samples of listing packages or property profiles were requested and received. After a cursory review of the general ledgers, samples were picked within our examination parameters. Supporting documents for the samples were requested, received, and reviewed.

The following two (2) exceptions were noted as a result of this portion of the examination:

- 1) During the examination the following exception regarding gift cards for producers of title business was noted:

Date of Gift Card Expense	Violation of IDAPA 18.01.56.014.01 and IDAPA 18.01.56-Exhibit 1(4)(h)
February 3, 2017	Staff member Scott Stears purchased and distributed a total of \$100.00 in gift cards comprising four (4) \$25.00 individual gift cards as prizes during a Superbowl party for producers of title business.

IDAPA 18.01.56.014.01⁵ states in relevant part: “***Self-Promotional Items.*** A title entity may distribute self-promotional items having an acquisition value of less than ten dollars (\$10) to producers of title business, consumers, and members of the general public. These self-promotional items are limited to novelty gifts, advertising novelties, and generic business forms and specifically do not include food or beverages. A recipient of a novelty gift or advertising novelty shall not receive gifts or advertising novelties in excess of ten dollars (\$10) of cumulative value per month and no more than fifty dollars (\$50) of cumulative value of gifts or advertising novelties per year...”

IDAPA 18.01.56-Exhibit 1(4)(h)⁶ states: “A title entity shall not pay or offer to pay, either directly or indirectly, with respect to any producer of title business for: Money, prizes, or other things of value in any kind of a contest or promotional endeavor.”

The Agent was in violation of IDAPA 18.01.56.014.01 and IDAPA 18.01.56-Exhibit 1(4)(h) for providing a total of \$100.00 in gift cards as prizes, a thing of value and self-promotional item not allowed for producers of title business.

Recommendations: It is recommended the Agent revise its procedures to ensure future self-promotional items are compliant with IDAPA 18.05.01.031.04(a) and Exhibit 1(4)(h).

Furthermore, the prior examination dated November 30, 2017, noted several Advertising and Marketing exceptions without an administrative penalty; therefore, it is also recommended that the Director enter an order for administrative penalty as a result of violating IDAPA 18.01.56.014.01 and IDAPA 18.01.56-Exhibit 1(4)(h) in the amount of three hundred dollars (\$300.00).

⁵ In February 2017, when this expense occurred, IDAPA 18.01.56.014.01 (3-30-07) was applicable, this rule was re-designated as IDAPA 18.05.01.031.04(a), effective March 20, 2020.

⁶ In February 2017, when this expense occurred, IDAPA 18.01.56-Exhibit 1(4)(h) was applicable, this rule was re-designated as Exhibit 1(4)(h) an attachment to IDAPA 18.05.01, effective March 20, 2020, and is available on the Idaho Department of Insurance website at: <https://doi.idaho.gov/wp-content/uploads/info/rules/18.05.01.pdf>

- 2) During the examination the following exception regarding gift cards for producers of title business was noted:

Date of Gift Card Expense	Violation of IDAPA 18.01.56.014.01 and IDAPA 18.01.56-Exhibit 1(4)(h)
February 2, 2018	Staff member Scott Stears purchased and distributed a total of \$250.00 in gift cards comprising five (5) \$50.00 individual gift cards as prizes during a Superbowl party for producers of title business.

IDAPA 18.01.56.014.01⁷ states in relevant part: “***Self-Promotional Items.*** A title entity may distribute self-promotional items having an acquisition value of less than twenty-five dollars (\$25) to producers of title business, consumers, and members of the general public. These self-promotional items are limited to novelty gifts, advertising novelties, and generic business forms and specifically do not include food, beverages, or gift certificates, gift cards or other items that have a specific monetary value on their face or that may be exchanged for any other item having a specific monetary value. Self-promotional items shall not contain the name, logo or any reference to a producer of title business, trade association or donee...”

IDAPA 18.01.56-Exhibit 1(4)(h)⁸ states: “A title entity shall not pay of offer to pay, either directly or indirectly, with respect to any producer of title business for: Money, prizes, or other things of value in any kind of a contest or promotional endeavor.”

The Agent was in violation of IDAPA 18.01.56.014.01 and IDAPA 18.01.56-Exhibit 1(4)(h) for providing a total of \$250.00 in gift cards as prizes, a thing of value and self-promotional item specifically not allowed for producers of title business.

Recommendations: It is recommended the Agent revise its procedures to ensure future self-promotional items are compliant with IDAPA 18.05.01.031.04(a) and Exhibit 1(4)(h).

Furthermore, the prior examination dated November 30, 2017, noted several Advertising and Marketing exceptions without an administrative penalty; therefore, it is also recommended that the Director enter an order for administrative penalty as a result of violating IDAPA 18.01.56.014.01 and IDAPA 18.01.56-Exhibit 1(4)(h), in the amount of seven hundred and fifty dollars (\$750.00).

⁷ In February 2018, when this expense occurred, IDAPA 18.01.56.014.01 (3-29-17) was applicable, this rule was re-designated as IDAPA 18.05.01.031.04(a), effective March 20, 2020.

⁸ In February 2018, when this expense occurred, IDAPA 18.01.56-Exhibit 1(4)(h) was applicable, this rule was re-designated as Exhibit 1(4)(h) an attachment to IDAPA 18.05.01, effective March 20, 2020, and is available on the Idaho Department of Insurance website at: <https://doi.idaho.gov/wp-content/uploads/info/rules/18.05.01.pdf>

III. TITLE FILE REVIEW

Idaho Code §§ 41-2702, 2708 & 2709

IDAPA 18.05.01.012, 013 & Exhibit 1(9)

The title department is managed by Scott Stears and is comprised of two (2) Title Officers and one (1) Title Assistant. The title plant is posted and maintained by Title Financial Corporation in Blackfoot, Idaho. A sample of title files were reviewed within the parameters of our examination for the rates charged, the correct insured amount of the owner's and mortgagee's policies, proper countersignatures, double sales, proper use of the Standards of Liability and liens and encumbrance rules, and unique kind or class of risk. No exceptions were noted as a result of this portion of the examination.

IV. ESCROW FIDUCIARY ACCOUNTS AND FILE REVIEW

The escrow department is managed by Scott Stears and is comprised of three (3) Escrow Officers and three (3) Escrow Assistants.

A. FIDUCIARY ACCOUNTS

IDAPA 18.05.01.021.04, 05 & 09

The examination included a review of the fiduciary accounts utilized during the examination period. The accounts were reviewed for correct labeling, separation from operating funds, reconciliation, and negative balances. The fiduciary accounts are balanced on a daily basis and reconciled on a monthly basis by June Hogan at Title Financial Corporation in Blackfoot, Idaho. The monthly reconciliations are reviewed by both Anita McMurtrey at Title Financial Corporation in Blackfoot, Idaho, and Scott Stears, a Vice President and County Manager at the Agent. No exceptions were noted as a result of this portion of the examination.

B. ESCROW FILE REVIEW

Idaho Code § 41-2705(3)

IDAPA 18.05.01.021 & 022

The examination included a review of the escrow files opened during the examination period. A sample of the escrow files were reviewed within the parameters of our examination for adequate written instructions, conformity to the written instructions, rates charged as filed, signed settlement statements, receipt and disbursement ledgers, evidence of receipts and disbursements made, file overdrafts, and business interests of the escrow officers. No exceptions were noted as a result of this portion of the examination.

SUMMARY OF RECOMMENDATIONS

The recommendations made below identify corrective measures the Department finds necessary as a result of the exceptions noted in this Report of Exception Examination ("Report"). Location in the Report is referenced in parenthesis.

1) (Section II. Advertising and Marketing, pages 7-9)

It is recommended the Agent revise its procedures to ensure future self-promotional items are compliant with IDAPA 18.05.01.031.04(a) and Exhibit 1(4)(h).

Furthermore, it is recommended that the Director enter an order for administrative penalty as a result of violating IDAPA 18.01.56.014.01⁹ and IDAPA 18.01.56-Exhibit 1(4)(h)¹⁰, in the amount of three hundred dollars (\$300.00).

2) (Section II. Advertising and Marketing, pages 7-9)

It is recommended the Agent revise its procedures to ensure future self-promotional items are compliant with IDAPA 18.05.01.031.04(a) and Exhibit 1(4)(h).

Furthermore, it is recommended that the Director enter an order for administrative penalty as a result of violating IDAPA 18.01.56.014.01¹¹ and IDAPA 18.01.56-Exhibit 1(4)(h)¹², in the amount of seven hundred and fifty dollars (\$750.00).

⁹ Ibid., pp. 5, 8.

¹⁰ Ibid., pp. 5, 8.

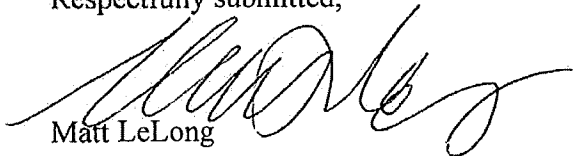
¹¹ Ibid., pp. 5, 9.

¹² Ibid., pp. 5, 9.

AFFIDAVIT OF EXAMINER

I certify and attest that I have examined the Agent's tract indexes, abstract records, as well as other records, and the operation of the Agent's business and other matters relevant to the affairs of the Agent. I further certify that I have no relationship, other than in my capacity as examiner and/or regulator, with the Agent or its employees and that no conflict of interest exists that would prevent me from conducting the examination. I acknowledge the assistance and cooperation of the Agent and its employees during the examination. Based on my examination, I prepared this Examiner's Report of Exceptions (the "Report") in accordance with Idaho Code § 41-2710(7). I confirm that the findings, conclusions, and recommendations contained in this Report are my own.

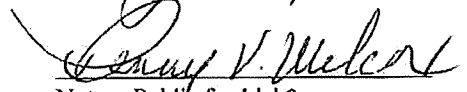
Respectfully submitted,



Matt LeLong
Market Examiner and Title Insurance Specialist
Idaho Department of Insurance

SUBSCRIBED AND SWORN to before me this

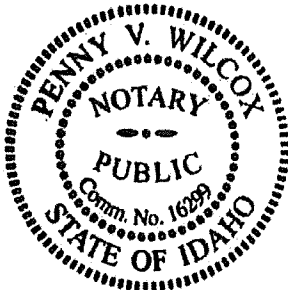
11th day of January, 2023



Notary Public for Idaho

Residing at: Ada County

Commission Expires: 07/02/2027



PENALTY, STIPULATIONS AND APPEAL NOTIFICATION

This matter comes before the Department as a result of this Report of Exception Examination (“Examination”). The Department has fully considered and reviewed this Examination, any written submissions and rebuttals provided by the Agent in response to the Examination and the recommendations of the Examiner.

The Department makes the following findings of fact and imposes penalties and stipulations:

- 1) The Agent, on two (2) occasions, purchased and distributed a total of \$350.00 in gift cards as self-promotional gift items for producers of title business. These actions constitute a violation of IDAPA 18.01.56.014.01¹³ and IDAPA 18.01.56-Exhibit 1(4)(h)¹⁴.

The Department shall assess a total penalty in the amount of one thousand and fifty dollars (\$1,050.00) for violation of IDAPA 18.01.56.014.01 and IDAPA 18.01.56-Exhibit 1(4)(h). No later than thirty (30) days from the date the Final Order is adopted, the Agent shall remit a total penalty payment of one thousand and fifty dollars (\$1,050.00) to the Department.

These actions are considered violations and administrative penalties are appropriate pursuant to Idaho Code §§ 41-2708(3), 41-117, 41-2710(7), IDAPA 18.01.56.014.01 and IDAPA 18.01.56-Exhibit 1(4)(h).

¹³ Ibid., pp. 5, 8-9.

¹⁴ Ibid., pp. 5, 8-9.