

FILED
MAY 20 2024
Department of Insurance
State of Idaho

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

C. WARD ENTERPRISES, INC. dba
TIMBERLINE TITLE & ESCROW, INC.

Idaho Title Agency License No. 23270

Docket No. 18-4432-24

**ORDER ADOPTING REPORT
OF EXCEPTION EXAMINATION
AS OF DECEMBER 31, 2023**

The State of Idaho, Department of Insurance (“Department”), having conducted an examination of the affairs, transactions, assets, tract indexes, abstract records, and any other records of C. WARD ENTERPRISES, INC. dba TIMBERLINE TITLE & ESCROW, INC. (“Timberline Title”) to ascertain compliance with title 41, Idaho Code, and related rules, pursuant to Idaho Code §§ 41-2710(7) and 41-219(1) and (5), hereby alleges the following facts that constitute a basis for issuance of an order, pursuant to Idaho Code § 41-227(5)(a), adopting the Report of Exception Examination of Timberline Title for the Period January 1, 2019 to December 31, 2023 (“Report”), as filed.

FINDINGS OF FACT

1. Timberline Title is a title agency licensed by the Department to transact title insurance in Adams County, Idaho, under Title Agency License No. 23270.

2. The Department completed an examination of Timberline Title pursuant to Idaho Code §§ 41-2710(7) and 41-219(1) and (5) on or about May 3, 2024. The Department’s findings

are set forth in the Report.

3. Pursuant to Idaho Code § 41-227(4), a copy of the Report was filed with the Department on May 7, 2024, and was transmitted to Timberline Title on the same date. A copy of the Report is attached hereto as Exhibit A.

4. Pursuant to Idaho Code § 41-2710(7), Timberline Title had twenty-eight (28) days from service of the Report within which to review, comment, or request a hearing on the Report.

5. On May 8, 2024, the Department received a Waiver from Timberline Title, signed by Christy A. Ward, its President. By execution of such Waiver, a copy of which is attached hereto as Exhibit B, Timberline Title consented to the immediate entry of a final order by the Director of the Department (“Director”) adopting the Report without any modifications; waived its right to make a written submission or rebuttal to the Report; and waived its right to request a hearing and to seek reconsideration or appeal for the Director’s final order.

CONCLUSIONS OF LAW

6. Idaho Code § 41-227(5)(a) provides that, after expiration of “the period allowed for the receipt of written submissions or rebuttals, the Director shall fully consider and review the report, together with any written submissions or rebuttals and relevant portions of the examiner’s work papers” and shall enter an order adopting the report of examination as filed or with modifications or corrections.

7. Having fully considered the Report, the Director concludes that, with regard to the matters examined and information provided by Timberline Title, the comments and recommendations contained in the Report are appropriate and are incorporated herein as if set forth in full.

ORDER

NOW, THEREFORE, based on the foregoing, IT IS HEREBY ORDERED that the Report of Exception Examination of C. WARD ENTERPRISES, INC. dba TIMBERLINE TITLE & ESCROW, INC. for the Period January 1, 2019 to December 31, 2023, is hereby ADOPTED as filed, pursuant to Idaho Code § 41-227(5)(a).

IT IS FURTHER ORDERED, pursuant to Idaho Code §§ 41-2710(7) and 41-227(8), that the adopted Report is a public record and shall not be subject to the exemptions from disclosure provided in chapter 1, title 74, Idaho Code.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 41-227(6)(a), that, within thirty (30) days of the issuance of the adopted Report, Timberline Title will file with the Department's Examiner Title & Market Insurance Specialist 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.

IT IS SO ORDERED.

DATED this 13 day of May, 2024.

STATE OF IDAHO
DEPARTMENT OF INSURANCE



DEAN L. CAMERON
Director

NOTIFICATION OF RIGHTS

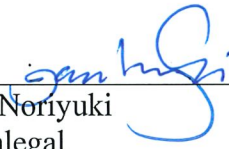
This Order constitutes a final order of the Director. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the service date of this order. The Director will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition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

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order may appeal it by filing a petition for judicial review in the district court of the county in which: (1) the hearing was held; or (2) the final agency action was taken; or (3) the aggrieved party resides or operates its principal place of business in Idaho; or (4) the real property or personal property that was the subject of the agency decision is located. An appeal must be filed within twenty-eight (28) days of: (a) the service date of this final order; or (b) an order denying a petition for reconsideration; or (c) the failure within twenty-one (21) days to grant or deny a petition 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.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 20th day of May, 2024, I caused a true and correct copy of the foregoing ORDER ADOPTING REPORT OF EXCEPTION EXAMINATION AS OF DECEMBER 31, 2023, to be served upon the following by the designated means:

Christy A. Ward, President and County Manager C. Ward Enterprises, Inc. dba Timberline Title & Escrow 104 Industrial Ave. Council, ID 83612	<input type="checkbox"/> First Class Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: cward@timberlinetitle.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	<input type="checkbox"/> First Class Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> Email: john.keenan@doi.idaho.gov



Jan Noriyuki
Paralegal



REPORT OF EXCEPTION EXAMINATION
For the Period January 1, 2019 through December 31, 2023

Of
C.WARD ENTERPRISES, INC.
DBA
TIMBERLINE TITLE & ESCROW, INC.
(a title agent corporation - license #23270 – Adams County)

As of
December 31, 2023

Equal Opportunity Employer

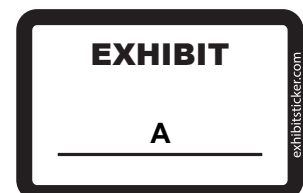


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Boise, Idaho
May 3, 2024

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, 41-2710(7) and 41-2713, an examination has been made of the administrative affairs, books, records, and financial condition of;

C. Ward Enterprises, Inc.
DBA
Timberline Title & Escrow, Inc.
104 Industrial Avenue
Council, Idaho 83612
License #23270 – Adams 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 C. Ward Enterprises, Inc., DBA Timberline Title & Escrow, Inc., an Idaho Title Agent licensed in Adams County. The examination was conducted at the Agent's office in Council, Idaho, and 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. In addition, examiners may have documented practices and procedures that did not appear to be in the best interest of Idaho insurance consumers. However, failure to identify or criticize specific practices, products, or files does not constitute approval thereof by the Department.

It should be understood 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 recognized that these comments should not be regarded as reflecting 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 examiner's report, the Agent's response, if any, 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.

The period covered by this examination is January 1, 2019 through December 31, 2023. 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

Our examination of the Agent did not disclose any material adverse findings. No exceptions and recommendations were noted as a result of the examination.

HISTORY AND DESCRIPTION

Timberline Title and Escrow, Inc., was founded by Russell Hatfield and Karen Hatfield on or around November 27, 1986, and an Article of Incorporation was approved with a Certificate of Incorporation issued by the Idaho Secretary of State on December 31, 1986. On or around July 16, 1992, the corporation and business operations were purchased by Donna Michael and Bill Michael. On or around December 13, 2000, the business operations were purchased by the current owner, and a new entity, C. Ward Enterprises, Inc., was established and recognized by the Idaho Secretary of State. As of November 3, 2023, the Idaho Secretary of State list C. Ward Enterprises, Inc., as active-good standing with Timberline Title & Escrow, Inc., filed as its DBA. As of the date of this examination, the Idaho Department of Insurance shows an active Title Agent license in Adams County for C. Ward Enterprises, Inc., DBA Timberline Title & Escrow, Inc. They conduct business in Adams County out of offices in Council, Idaho.

PRIOR EXAMINATION

Our examination included a review to determine if exceptions were noted and addressed in the preceding report of exception examination dated June 28, 2019, which covered the period of January 1, 2014 through December 31, 2018. No exceptions were noted in that examination.

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 November 3, 2023, the Idaho Secretary of State shows C. Ward Enterprises, Inc., as active-good standing and a filed DBA of Timberline Title & Escrow, Inc.; Christy Ward is listed as its President and Registered Agent, Victor Ward as Vice President, and Angela J. Bumgarner as Secretary. 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 and Old Republic National Title Insurance Company. The underwriting contracts require high liability approval for risks in excess of \$1,000,000.00 and are subject to deductible for loss of \$2,500.00 and \$5,000.00, respectively. 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 #93-BR-1542-1 in the amount of \$30,000.00 issued by State Farm Fire and Casualty 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 four (4) claims filed within the examination period. The claims appear to be purported missed easements and/or access related matters. The claims do not appear to relate to any apparent material problems 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. No exceptions were noted as a result of this portion of the examination.

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 Angela J. Bumgarner and is comprised of herself and one (1) title officer, Christy A. Ward, President of the Agent. The title plant is owned, posted, and maintained by the Agent in its offices located in Council, 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 Christy A. Ward, President of the Agent, and is comprised of herself and one (1) escrow officer, Sandra K. Jones.

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 both Christy A. Ward, President, and Sandra K. Jones, Escrow Officer. The monthly reconciliations are reviewed by Christy A. Ward. 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.

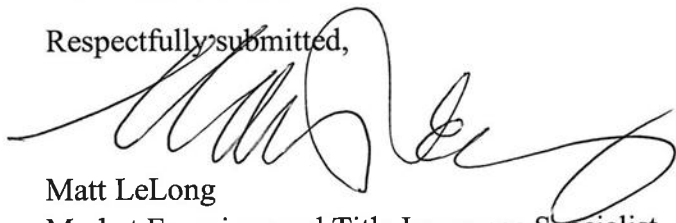
SUMMARY OF RECOMMENDATIONS

There were no recommendations as a result of the examination.

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 7th day of May, 2024.




Notary Public for Idaho
Residing at: 12-4-2024
Commission Expires: Base, ID

State of Idaho
DEPARTMENT OF INSURANCE

BRAD LITTLE
Governor

700 West State Street, 3rd Floor
P.O. Box 83720
Boise, Idaho 83720-0043
Phone 208-334-4250
Fax 208-334-4398
Website: <https://doi.idaho.gov>

DEAN L. CAMERON
Director

WAIVER

In the matter of the Report of Exception Examination as of December 31, 2023, of:

**C. Ward Enterprises, Inc.
DBA
Timberline Title & Escrow, Inc.
104 Industrial Avenue
Council, Idaho 83612
License #23270 – Adams County**

By executing this Waiver, Christy A. Ward [printed or typed name], on behalf of C. Ward Enterprises, Inc., DBA Timberline Title & Escrow, Inc., hereby acknowledges receipt of the above-described examination report, verified as of the 7th day of May 2024, and by this Waiver hereby consents to the immediate entry of a final order by the Director of the Department of Insurance (the "Director") adopting said report without any modifications, except under circumstances the Director under his lawful duties and powers may abate, adopt, or amend, any recommendations and/or penalties imposed by the examiner-in-charge.

By executing this Waiver, C. Ward Enterprises, Inc., DBA Timberline Title & Escrow, Inc., also hereby waives:

1. its right to examine the report for up to twenty-eight (28) days as provided in Idaho Code section 41-2710(7),
2. its right to make additional written submissions or rebuttals to the report prior to entry of a final order as provided in Idaho Code section 41-2710(7) and,
3. any right to request a hearing under Idaho Code sections 41-2710(7) and 41-232(2)(b), or elsewhere in the Idaho Code, and
4. any right to seek reconsideration and appeal from the Director's order adopting the report as provided by section 41-227(6)(a), Idaho Code, or elsewhere in the Idaho Code.

Dated this 8th day of May, 2024

C. Ward Enterprises, Inc., DBA Timberline Title & Escrow, Inc.

Christy A. Ward

Name (print)


Name (signature)

President

Title

EXHIBIT

B