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AUG 08 2024

Department of Insurance  
State of Idaho

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE**

**STATE OF IDAHO**

In the Matter of:

LEMHI TITLE COMPANY

License No. 5671

Docket No. 18-4454-24

**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 Lemhi Title Company (“Lemhi 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 Lemhi Title for the Period of January 1, 2019 to December 31, 2023 (“Report”), as filed.

**FINDINGS OF FACT**

1. Lemhi Title is a title agency licensed by the Department to transact title insurance in Lemhi County, Idaho, under Title Agency License No. 5671.
2. The Department completed an examination of Lemhi Title pursuant to Idaho Code §§ 41-2710(7) and 41-219(1) and (5) on or about June 24, 2024. The Department’s findings are set forth in the Report. In summary, the examiner found that Lemhi Title violated the Department’s rules as follows:
  - a. From January 1, 2019, through December 31, 2023, Lemhi Title violated IDAPA 18.05.01.031.01 and 18.02.01.031.04(a) on one (1) occasion by

purchasing and distributing \$344.50 in self-promotional items to producers of title business.

- b. From January 1, 2019, through December 31, 2023, Lemhi Title violated IDAPA 18.05.01.021.05 on twenty-six (26) occasions by failing to enter in its escrow ledger each item comprising the total disbursement from checks or other vouchers.
- c. From January 1, 2019, through December 31, 2023, Lemhi Title violated IDAPA 18.05.01.021.09(a) on one (1) occasion by disbursing funds and delivering documents from an escrow for recording or otherwise, without the escrow containing a credit balance of collected funds.

3. Based on these findings, the examiner recommended Lemhi Title:

- a. Revise its procedures to ensure future self-promotional items comply with the Department's rules; and
- b. Revise its procedures to ensure future disbursement from checks or other vouchers are entered to its escrow ledger to comply with the Department's rules; and
- c. Revise its procedures to ensure future disbursement of funds and delivery of documents from escrow comply with the Department's rules.

4. Pursuant to Idaho Code § 41-227(4), a copy of the Report was filed with the Department on July 9, 2024, and was transmitted to Lemhi Title on the same date. A copy of the Report is attached hereto as Exhibit A.

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

6. On July 10, 2024, the Department received a Waiver from Lemhi Title, signed by M.

Chace Slavin, its President. By execution of such Waiver, a copy of which is attached hereto as Exhibit B, Lemhi 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**

7. 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.

8. Lemhi Title’s actions are considered violations and administrative penalties are appropriate per Idaho Code §§ 41-2708(3), 41-117, and IDAPA 18.05.01.022. However, administrative penalties will not be imposed at this time with the stipulation that the Department retains the right to impose new penalties should there be a finding of future violations of these rules.

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, based on the foregoing, IT IS HEREBY ORDERED that the Report of Exception Examination of Lemhi Title Company [Lemhi County] for the Period of 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 §§ 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 that the foregoing Findings of Fact and Conclusions of Law are incorporated herein as if set forth in full and is an Order of the Director.

IT IS FURTHER ORDERED, pursuant to Idaho Code § 41-227(6)(a), that within thirty (30) days of the service date of this Order, Lemhi Title must file, with the Department's Market Examiner & Title 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.

4. Within 30 days of the service date of this Order, Lemhi Title will: (a) submit to the Department in writing proposed revisions of its policies and procedures to ensure that any future self-promotional items comply with § 41-2710(7), IDAPA 18.05.01.031.01, and IDAPA 18.05.01.031.04(a); and (b) submit to the Department in writing proposed revisions of its policies and procedures to ensure that any future escrow disbursements and related records comply with IDAPA 18.05.01.021.05; and (c) submit to the Department in writing proposed revisions of its policies and procedures to ensure that any future disbursement of funds and delivery of documents from an escrow comply with IDAPA 18.05.01.021.09(a).

DATED AND EFFECTIVE this 8 day of August, 2024.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

A handwritten signature in dark ink, appearing to read "Dean L. Cameron", is written over a horizontal line.

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 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 8<sup>th</sup> day of August, 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 parties by the designated means:

Lemhi Title Company 401 Main Street, Ste. 2 Salmon, ID 83467-4219	<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: <a href="mailto:chaceslavin@gmail.com">chaceslavin@gmail.com</a> <a href="mailto:debbie@lemhititle.com">debbie@lemhititle.com</a>
John Keenan Deputy Attorney General Idaho Department of Insurance 700 W. State Street, 3 <sup>rd</sup> 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: <a href="mailto:john.keenan@doi.idaho.gov">john.keenan@doi.idaho.gov</a>

  
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Jan Noriyuki  
Paralegal

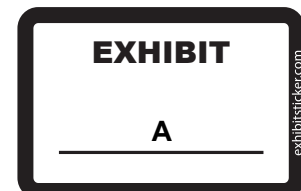


REPORT OF EXCEPTION EXAMINATION  
For the Period January 1, 2019 through December 31, 2023

Of  
LEMHI TITLE COMPANY  
(a title agent corporation - license #5671 – Lemhi County)

As of  
December 31, 2023

*Equal Opportunity Employer*



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Boise, Idaho  
June 24, 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;

Lemhi Title Company  
401 Main Street, Suite #2  
Salmon, Idaho 83467-4219  
License #5671 - Lemhi 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 Lemhi Title Company an Idaho Title Agent licensed in Lemhi County. The examination was conducted at the Agent's office in Salmon, Idaho, and remotely from the offices of the Idaho Department of Insurance (the "Department") located at 700 West State Street, 3<sup>rd</sup> 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**

The examination resulted in the identification of twenty-eight (28) total exceptions. The examined areas, the noted exceptions and violations, and the pertinent citations, in relevant part, with emphasis added, are summarized below:

### **1) Advertising and Marketing (Section II., pages 8-9.)**

A total of one (1) exception was noted as a result of this portion of the examination; and is as follows:

#### **• One (1) Exception:**

##### **○ Idaho Code § 41-2710(7) – Requirements for Agents.**

*Regular examination of the tract indexes, abstract records, **and any other records** to ascertain compliance with title 41, Idaho Code, and related rules . . .*

##### **○ IDAPA 18.05.01.031.01 – Items of Value.**

*A title entity will not provide items of value to a producer of title business, consumer or member of the general public . . . ***If a providing of things of value does not clearly fit into the rules . . . then it is not allowed*** . . .*

##### **○ IDAPA 18.05.01.031.04(a) – Self-Promotional Advertising.**

*A title entity may distribute self-promotional items having an acquisition value of less than twenty-five dollars (\$25) . . . ***These self-promotional items are limited to novelty gifts, advertising novelties, and generic business forms*** . . .*

**Violation:** The Agent, on one (1) occasion, purchased unknown gift items from C's Kitchen, a total expenditure of \$344.50, and provided them as Christmas gifts, self-promotional items not permitted, to various producers of title business. In addition, the Agent did not maintain records necessary to ascertain compliance with title 41, Idaho Code, and related rules. This action

constitutes a violation of Idaho Code § 41-2710(7), IDAPA 18.05.01.031.01, and IDAPA 18.05.01.031.04(a).

**2) Escrow File Review (Section IV.B., pages 9-12.)**

A total of twenty-seven (27) exceptions were noted as a result of this portion of the examination; and are as follows:

- **Twenty-Six (26) Exceptions:**

- **IDAPA 18.05.01.021.05 – Escrow Accounting Procedures.**

*An escrow agent will maintain on a current basis (a) an escrow ledger with a separate numbered sheet for each escrow agreement and (b) an escrow liability control account. Disbursements will be posted from checks or other vouchers and each item, not the total of items, will be entered . . .*

**Violation:** The Agent, on twenty-six (26) occasions, failed to enter each item comprising the total disbursement from checks or other vouchers. These actions constitute a violation of IDAPA 18.05.01.021.05.

- **One (1) Exception:**

- **IDAPA 18.05.01.021.09(a) – Disbursement of Funds or Documents from Escrow – Requirement for Collected Funds.**

*. . . no disbursement of funds or delivery of documents from an escrow for recording or otherwise may be made unless the escrow contains a credit balance consisting of collected funds, other than funds of the escrow agent or its affiliates, sufficient to discharge all monetary conditions of the escrow . . .*

**Violation:** The Agent, on one (1) occasion, disbursed funds and delivered documents from an escrow for recording or otherwise, without the escrow containing a credit balance of collected funds. This action constitutes a violation of IDAPA 18.05.01.021.09(a).

## **HISTORY AND DESCRIPTION**

Lemhi Title and Abstract Company, Limited, was founded by Thomas Kane, Louis F. Ramey, P.J. Dempsey, W.C. Smith, and G.B Quarles and organized with the Idaho Secretary of State on February 19, 1907. On June 5, 1973, the Idaho Secretary of State shows a Certificate of Incorporation was issued to Lemhi Title and Abstract Company, Inc., with Bonnie Robie, Erin G. Robie, and James C. Herndon as its Directors and shareholders. In 1973, Idaho Statutes required a title agent to license with the Idaho Department of Insurance, and on December 1, 1973, Lemhi Title and Abstract Company, Inc., became licensed by the Idaho Department of Insurance as a title agent in Lemhi County. On April 24, 2014, the Idaho Secretary of State shows an Article of Amendment was filed to change the business name to its current name, Lemhi Title Company, with M. Chace Slavin as President and current owner. They conduct business in Lemhi County out of offices in Salmon, Idaho.

## **PRIOR EXAMINATION**

Our examination included a review to determine if the sampled title file exceptions noted in the preceding report of exception examination dated September 3, 2019, which covered the period of January 1, 2014 through December 31, 2018, were addressed. We determined that the Agent satisfactorily addressed these exceptions in 2019.

## **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 May 6, 2024, the Idaho Secretary of State shows Lemhi Title Company as active-good standing with Milton C. Slavin listed as its President and Registered 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 an underwriting contract with First American Title Insurance Company. The underwriting contract requires high liability approval for risks in excess of \$2,000,000.00 and is subject to deductible for loss of \$2,500.00. 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 #66820592 in the amount of \$30,000.00 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 that no claims were filed within the examination period. 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.

A total of one (1) exception was noted as a result of this portion of the examination; and is as follows:

Violation of Idaho Code § 41-2710(7), IDAPA 18.05.01.031.01, IDAPA 18.05.01.031.04(a)		
Exception Number	Date of Expense	Items of Value [Self-Promotional Advertising]
1	December 13, 2021	The Agent, on one (1) occasion, purchased unknown gift items from C's Kitchen, a total expenditure of \$344.50, and provided them as Christmas gifts, self-promotional items not permitted, to various unknown producers of title business. In addition, the Agent did not maintain records necessary to ascertain compliance with title 41, Idaho Code, and related rules.

Idaho Code § 41-2710(7) states in relevant part, with emphasis added: “***Requirements for Agents. Regular examination of the tract indexes, abstract records, and any other records to ascertain compliance with title 41, Idaho Code, and related rules . . .***”

IDAPA 18.05.01.031.01 states in relevant part, with emphasis added: “***Items of Value. A title entity will not provide items of value to a producer of title business, consumer or member of the general public . . . If a providing of things of value does not clearly fit into the rules . . . then it is not allowed . . .***”

IDAPA 18.05.01.031.04 states in relevant part, with emphasis added: “***Self-Promotional Advertising. A title entity may distribute self-promotional items having an acquisition value of less than twenty-five dollars (\$25) . . . These self-promotional items are limited to novelty gifts, advertising novelties, and generic business forms . . .***”

**Violation:** The Agent, on one (1) occasion, was in violation of Idaho Code § 41-2710(7), IDAPA 18.05.01.031.01, and IDAPA 18.05.01.031.04(a) for purchasing and providing gift items, a total expenditure of \$344.50, as Christmas gifts, self-promotional items not permitted, to various producers of title business, and for not maintaining records necessary to ascertain compliance with title 41, Idaho Code and related rules.

**Recommendations:** It is recommended the Agent submit to the Department in writing what proposed procedures will be implemented to ensure future self-promotional items and related records are compliant with Idaho Code § 41-2710(7), IDAPA 18.05.01.031.01, and IDAPA 18.05.01.031.04(a).

It is further recommended, as this is the first instance of this violation, that no administrative penalties be imposed at this time, with the stipulation that the Department retains the right to impose new penalties based on any future finding of this same violation.

### **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 John Carson, its sole title officer. The title plant is owned, posted, and maintained by the Agent in its offices located in Salmon, 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 Debbie Howell, its sole escrow officer. Previous escrow employees of the Agent, employed during the period of this examination, include Angela Morton, Tammy Randolph, and Pam Wallace.

#### **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 Debbie Howell. 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.

A total of twenty-seven (27) exceptions were noted as a result of this portion of the examination.

- Twenty-six (26) of those exceptions are as follows:

Violation of IDAPA 18.05.01.021.05 Escrow Accounting Procedures		
The Agent, on twenty-six (26) occasions, failed to enter each item comprising the total disbursement from checks or other vouchers in the following files:		
Exception Number	Calendar Year Escrow File Closed	Escrow File Number
2	2019	File # 4635-19
3		File # 4671-19
4		File # 4651-19
5		File # 4683-19
6		File # 4753-19
7		File # 4713-19
8	2020	File # 4824-20
9		File # 4802-20
10		File # 4921-20
11		File # 4771-19
12		File # 5027-20
13	2021	File # 5013-20
14		File # 5113-21
15		File # 5169-21
16		File # 5159-21
17		File # 5148-21
18		File # 5212-21
19	2022	File # 5295-21
20		File # 5322-22
21		File # 5515-22
22		File # 5394-22
23	2023	File # 5522-22
24		File # 5559-23
25		File # 5544-23
26		File # 5628-23
27		File # 5654-23

IDAPA 18.05.01.021.05, states in relevant part, with emphasis added: “***Escrow Accounting Procedures.*** *An escrow agent will maintain on a current basis (a) an escrow ledger with a separate numbered sheet for each escrow agreement and (b) an escrow liability control account. Disbursements will be posted from checks or other vouchers and each item, not the total of items, will be entered . . .*”

**Violation:** The Agent, on twenty-six (26) occasions, was in violation of IDAPA 18.05.01.021.05 for failing to enter each item comprising the total disbursement from checks or other vouchers.

**Recommendations:** It is recommended the Agent submit to the Department in writing what proposed procedures will be implemented to ensure all future escrow disbursements and related records are compliant with IDAPA 18.05.01.021.05.

It is further recommended, as this is the first instance of these violations, that no administrative penalties be imposed at this time, with the stipulation that the Department retains the right to impose new penalties based on any future finding of these same violations.

- The twenty-seventh (27th) and final exception in this portion of the examination, also the final exception comprising all twenty-eight (28) exceptions within the Report, is as follows:

Violation of IDAPA 18.05.01.021.09(a) Disbursement of Funds or Documents from Escrow – Requirement for Collected Funds		
Exception Number	28	The Agent, on one (1) occasion, received a buyer's local personal check for \$80,372.40 to fund a purchase transaction, and on that same day, proceeded to disburse funds and deliver documents without allowing prescribed time to clear the check and ensure the escrow contained a credit balance of collected funds as defined in IDAPA 18.05.01.010.13.
Escrow Closing Date	February 16, 2023	
Receipt Date of Local Personal Check	February 16, 2023	
Escrow File Number	File # 5544-23	

IDAPA 18.05.01.021.09(a) states in relevant part, with emphasis added: *“Notwithstanding any agreement to the contrary, **no disbursement of funds or delivery of documents** from an escrow for recording or otherwise may be made **unless** the escrow contains a credit balance consisting of **collected funds**, other than funds of the escrow agent or its affiliates, sufficient to discharge all monetary conditions of the escrow . . .”*

**Violation:** The Agent, on one (1) occasion, was in violation of IDAPA 18.05.01.021.09(a) for disbursing funds and delivering documents from an escrow for recording or otherwise, without the escrow containing a credit balance of collected funds.

**Recommendations:** It is recommended the Agent submit to the Department in writing what proposed procedures will be implemented to ensure all future disbursement of funds and delivery of documents from an escrow are compliant with IDAPA 18.05.01.021.09(a).

It is further recommended, as this is the first instance of this violation, that no administrative penalties be imposed at this time, with the stipulation that the Department retains the right to impose new penalties based on any future finding of this same violation.

## **SUMMARY OF RECOMMENDATIONS**

The recommendations below identify corrective measures the Department finds necessary as a result of the exceptions noted within the Report.

### **1) Advertising and Marketing (Section II., pages 8-9.)**

- One (1) Exception – Idaho Code § 41-2710(7), IDAPA 18.05.01.031.01 & .04.

It is recommended the Agent submit to the Department in writing what proposed procedures will be implemented to ensure future self-promotional items and related records are compliant with Idaho Code § 41-2710(7), IDAPA 18.05.01.031.01, and IDAPA 18.05.01.031.04(a).

### **2) Escrow File Review (Section IV.B., pages 9-12.)**

- Twenty-Six (26) Exceptions – IDAPA 18.05.01.021.05.
- One (1) Exception – IDAPA 18.05.01.021.09(a).

It is recommended the Agent submit to the Department in writing what proposed procedures will be implemented to ensure all future escrow disbursements and related records are compliant with IDAPA 18.05.01.021.05; and, in addition, what proposed procedures will be implemented to ensure all future disbursement of funds and delivery of documents from an escrow are compliant with IDAPA 18.05.01.021.09(a).

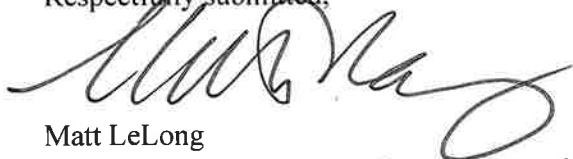
It is further recommended, as this is the first instance of these violations, that no administrative penalties be imposed at this time, with the stipulation that the Department retains the right to impose new penalties based on any future finding of these same violations.



## 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 9<sup>th</sup> day of July, 2024.



  
Notary Public for Idaho  
Residing at: Boise, ID  
Commission Expires: 03-30-2027

## **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 one (1) occasion, purchased unknown gift items from C’s Kitchen, a total expenditure of \$344.50, and provided them as Christmas gifts, self-promotional items not permitted, to various producers of title business. In addition, the Agent did not maintain records necessary to ascertain compliance with title 41, Idaho Code, and related rules.

This action constitutes a violation of Idaho Code § 41-2710(7), IDAPA 18.05.01.031.01, and IDAPA 18.05.01.031.04(a). Administrative penalties are appropriate pursuant to Idaho Code §§ 41-117, 41-1016, and 41-2708(3); however, as this is the first instance of this violation, no administrative penalties will be imposed at this time, with the stipulation that the Department retains the right to impose new penalties based on any future finding of this same violation.

No later than thirty (30) days from the date the Final Order is adopted the Agent is required to submit to the Department in writing what proposed procedures will be implemented to ensure future self-promotional items and related records are compliant with Idaho Code § 41-2710(7), IDAPA 18.05.01.031.01, and IDAPA 18.05.01.031.04(a).

- 2) The Agent, on twenty-six (26) occasions, failed to enter each item comprising the total disbursement from checks or other vouchers; and on one (1) occasion, disbursed funds and delivered documents from an escrow for recording or otherwise, without the escrow containing a credit balance of collected funds.

These actions constitute violations of IDAPA 18.05.01.021.05, and IDAPA 18.05.01.021.09(a), respectively. Administrative penalties are appropriate pursuant to Idaho Code §§ 41-117, 41-1016, and 41-2708(3); however, as this is the first instance of these violations, no administrative penalties will be imposed at this time, with the stipulation that the Department retains the right to impose new penalties based on any future finding of these same violations.

No later than thirty (30) days from the date the Final Order is adopted the Agent is required to submit to the Department in writing what proposed procedures will be implemented to ensure, (1) future escrow disbursements and related records are compliant with IDAPA 18.05.01.021.05; and (2) future disbursement of funds and delivery of documents from an escrow are compliant with IDAPA 18.05.01.021.09(a).

*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:

**Lemhi Title Company  
401 Main Street, Suite #2  
Salmon, Idaho 83467-4219  
License #5671 - Lemhi County**

By executing this Waiver, M. Chace Starin [print or type officer/director name], on behalf of Lemhi Title Company, hereby acknowledges receipt of the above-described examination report, verified as of the 9th day of July 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, Lemhi Title Company, 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 10 day of July, 2024

**Lemhi Title Company**

M. Chace Starin  
Name (print)

M. Chace Starin  
Name (signature)

President  
Title

**EXHIBIT**

B