BEFORE THE DEPARTMENT OF
INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
STATE OF MISSOURI

IN THE MATTER OF:	)	
	)	
	)	**Case No. 06-2228340C**
FREEDOM TITLE, LLC	)	
	)	
Respondent.	)	

CONSENT ORDER

DOUGLAS M. OMMEN, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration ("Department"), Freedom Title, LLC ("Freedom Title"), and the Consumer Affairs Division of the Department ("Consumer Affairs Division") (hereinafter the "Parties"), agree to the following findings of fact, conclusions of law, and agreement:

Parties

1. WHEREAS, Douglas M. Ommen is the duly appointed Director who has the duty to administer Chapters 374, 375, and 381, RSMo, which includes the supervision, regulation, and discipline of title insurers, their agencies, and agents licensed to operate and conduct business in the state of Missouri;

2. WHEREAS, the Consumer Affairs Division has the duty of conducting investigations into the acts of insurance companies, agents and agencies under the insurance laws of this state and is authorized by the Director to investigate and to recommend enforcement action for violations of the insurance laws of this state;

3. WHEREAS, Freedom Title is a title agency licensed to conduct title insurance business in Missouri (License Number AG 8016324);

Findings of Fact

4. WHEREAS, on or about November 29, 2006, counsel on behalf of the Consumer Affairs Division, filed a Statement of Charges ("Statement") with the Director in which the Consumer Affairs Division alleged that Freedom Title did not comply with:

i. Section 381.181, RSMo (1994), by using and collecting title insurance premiums at rates that had not been filed with the Director through the advertisement and collection of a single amount for title insurance premium in addition to charging other fees including a settlement or closing fee;

ii. Section 381.171, RSMo (1994), by using an unfairly discriminatory rate scheme through the collection of different premium amounts for policies in the same classification with nearly identical amounts of liability coverage;

iii. Section 375.144, RSMo (Supp. 2005), by concealing from purchasers at the time of negotiation and sale of insurance material facts concerning the cost of title insurance, including information regarding the actual rate of title insurance and charges or fees for related services that are not included in the filed premium rate and may be discounted or negotiated without limitation; and

iv. Section 375.934, RSMo (2000), by engaging in an unfair trade practice defined by § 375.936(6), RSMo (2000) through the listing of an all-

inclusive "title insurance" fee on real estate closing documents when only a small portion of that fee is a filed insurance premium rate and most of this all-inclusive fee is not title insurance premium, but instead, charges subject to negotiation and discount;

v. Section 381.201, RSMo(1994) by failing to display premium schedules in a public place in each of its offices.

5. WHEREAS, on or about November 29, 2006, the Director issued a Show Cause Order directing Freedom Title to show cause why an order to cease and desist should not be issued ("Show Cause Order");

6. WHEREAS, on or about December 11, 2006, Freedom Title requested a hearing regarding the matters raised in the Statement and Show Cause Order and, on or about December 13, 2006, the Director issued a Hearing Order scheduling a hearing in this matter;

7. WHEREAS, on or about January 9, 2007 counsel on behalf of the Consumer Affairs Division, filed an Amended Statement of Charges ("Amended Statement") with the Director in which the Consumer Affairs Division alleged that Freedom Title did not comply with:

i. Section 381.181, RSMo (1994), by using and collecting title insurance premiums at rates that had not been filed with the Director through the advertisement and collection of a single amount for title insurance premium in addition to charging other fees including a settlement or closing fee;

ii. Section 381.171, RSMo (1994), by using an unfairly discriminatory rate scheme through the collection of different premium amounts for policies

in the same classification with nearly identical amounts of liability coverage;

iii. Section 375.144, RSMo (Supp. 2005), by concealing from purchasers at the time of negotiation and sale of insurance material facts concerning the cost of title insurance, including information regarding the actual rate of title insurance and charges or fees for related services that are not included in the filed premium rate and may be discounted or negotiated without limitation; and

iv. Section 375.934, RSMo (2000), by engaging in an unfair trade practice defined by § 375.936(6), RSMo (2000) through the listing of an all-inclusive "title insurance" fee on real estate closing documents when only a small portion of that fee is a filed insurance premium rate and most of this all-inclusive fee is not title insurance premium, but instead, charges subject to negotiation and discount;

v. Section 381.201, RSMo(1994) by failing to display premium schedules in a public place in each of its offices.

8. WHEREAS, on or about January 9, 2007, counsel on behalf of the Consumer Affairs Division, filed a proposed Amended Order To Cease And Desist ("Amended Cease and Desist Order");

9. WHEREAS, on or about March 29, 2007, Freedom Title filed an Answer to the Amended Statement in which it disputed that Freedom Title's activities constituted violations of Missouri insurance laws and denied any wrongdoing in connection with the allegations set forth

in the Statement, Amended Statement, Show Cause Order, and Amended Cease and Desist Order;

10. WHEREAS, Freedom Title and the Department desire to settle the allegations and matters raised by the Consumer Affairs Division;

11. WHEREAS, in recognition of the various interpretations of the former Chapter 381, RSMo, and the new and modified sections of Chapter 381, RSMo enacted by Senate Bill 66 (2007), the Parties consent to the issuance of this Consent Order and agree that this Consent Order constitutes the settlement of disputed claims between the Parties;

12. WHEREAS, Freedom Title denies the allegations raised by the Consumer Affairs Division, waives the right to a hearing to contest any provision of this Consent Order and has stipulated and agreed to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein;

13. WHEREAS, Freedom Title has stipulated and agreed to waive any rights that it may have to seek judicial review or other challenge or contest the terms and conditions of this Consent Order and forever releases and holds harmless the Department, the Director and his agents, and the Consumer Affairs Division from any and all liability and claims arising out of, pertaining to, or relating to this matter;

14. WHEREAS, in consideration of Freedom Title's consent to this Consent Order, the Consumer Affairs Division agrees to dismiss its Statement, Amended Statement, Show Cause Order, and Amended Cease and Desist Order;

15. WHEREAS, in consideration of Freedom Title's consent to this Consent Order, the Department and the Consumer Affairs Division hereby waive, release, and remit Freedom Title, its directors, officers, investors, lenders, employees, agents, representatives, subsidiaries,

affiliates, successors and assigns from any civil or administrative claim, sanction, or remedy, direct or indirect, that the Department or the Consumer Affairs Division have for or relating to any matter underlying this Consent Order;

16. WHEREAS, the Consumer Affairs Division is authorized to settle this matter and the Director is authorized to issue this Consent Order in the public interest pursuant to § 374.046 (Supp. 2006) and § 374.280, RSMo (2000); and

17. WHEREAS, this Consent Order shall not constitute an admission of wrongdoing, liability, or legal fault on the part of Freedom Title for any conduct underlying this Consent Order, nor shall it be construed as an admission that any person or entity acted wrongfully, unjustifiably, or otherwise;

18. WHEREAS, the Parties desire to avoid litigation and further expense, and to reach a mutually satisfactory settlement of disputed claims;

19. **NOW, THEREFORE,** based on the foregoing and in consideration of the mutually negotiated promises, covenants, and obligations in this Consent Order, **IT IS HEREBY AGREED** by the Director, acting through Enforcement Counsel Tamara A. Wallace, and Freedom Title, intending to be legally bound, as follows:

20. This Consent Order is effective when the Director issues a Bulletin in accordance with Paragraph 25 of this Order.

Affirmative Duties

21. The Director orders and Freedom Title agrees, in residential real estate transactions: (1) to use and collect as an agent on behalf of any title insurance company premiums that have been filed with the Director; (2) not to use or collect an all-inclusive title

insurance price that includes charges in residential real estate transactions without disclosing to consumers that any all-inclusive title insurance price includes both a non-negotiable premium as distinct from any included charges that may be negotiable; and (3) not to use the terms "rate", "card rate", "premium" or other terms of similar import in connection with residential real estate transactions to describe an all-inclusive title insurance price that includes both a non-negotiable premium and charges that may be negotiable.

22. The Director orders and Freedom Title agrees to collect the same premium that has been filed with the Director for title insurance policies in the same classification with similar liability amount coverage in residential real estate transactions.

23. The Director orders and Freedom Title agrees to prominently display title insurance premium schedules in a public place in each of its offices.

24. With respect to paragraphs 19 and 20, the Director orders and Freedom Title agrees to provide clear and conspicuous disclosure of premiums as distinct from charges in connection with residential real estate transactions in accordance with § 381.019 (Senate Bill 66, 2007), and, rules promulgated by the Director pursuant to § 374.045 and § 381.019 (Senate Bill 66, 2007).

25. The Director shall, within 30 days of the final signature on this Consent Order, issue a Bulletin informing the title insurance industry that all licensed title agents and underwriters must provide disclosures and collect premiums in the same manner as set forth in paragraphs 21 and 22, above.

Monetary Relief

26. The Director orders and Freedom Title agrees to pay the amount of three thousand, five hundred dollars ($3,500.00) as authorized by § 374.046, RSMo (Supp. 2006),

payable to the Insurance Dedicated Fund as reimbursement of costs associated with the investigation of this matter. Such payment shall be immediately due and payable by money order or cashier's check. If Freedom Title fails to make the payment under the terms of this provision, the Department may pursue additional legal remedies to enforce this Consent Order and collect the unpaid balance of this Consent Order. All payments ordered above shall be delivered to the Department of Insurance, Financial Institutions and Professional Registration, Attention Tamara A. Wallace, Enforcement Counsel, P.O. Box 690, Jefferson City, Missouri 65102. Any correspondence and/ or checks shall reference the above cited case number.

27. This Consent Order shall be and hereby is in full and complete settlement of any and all claims that were brought by the Department regarding activities engaged in by Freedom Title on or before the date hereof in the State of Missouri, and shall not constitute an admission, finding or concession of any violation of law, rule or regulation. The Consent Order may not be amended except by written consent of the Parties. Otherwise, the terms of this Consent Order shall be subject to such additional orders or modifications as may become necessary to enforce those terms.

28. This Consent Order is freely and voluntarily entered into without any degree of duress or compulsion whatsoever. No provision of this Consent Order shall be construed against any Party by reason of such Party having drafted such provision of the Consent Order.

29. Failure by any Party to enforce any provision of this Consent Order shall not be construed as a waiver by such Party of any provision, nor in any way affect the validity of this Consent Order or any part thereof.

30. If any provision of this Consent Order is determined to be invalid or unenforceable for any reason, then such provisions shall be treated as severed from the

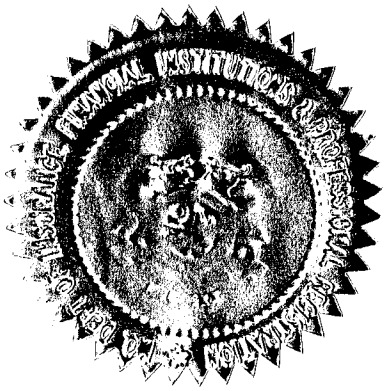
remainder of this Consent Order and shall not affect the validity and enforceability of all the other provisions of this Consent Order as long as such severance does not materially change the Parties' rights and obligations.

31. This Consent Order may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same agreement.

32. Each person who signs this Consent Order in a representative capacity warrants that his or her execution of this Consent Order is duly authorized, executed, and delivered by and for the entity for which he or she signs.

33. Upon the Effective Date of this Consent Order, the Parties shall consider all matters underlying this Consent Order closed, consistent with the faithful performance by the Parties of the obligations imposed herein.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 10th DAY OF OCTOBER ~~JULY~~, 2007.



Douglas M. Ommen, Director
Missouri Department of Insurance, Financial Institutions & Professional Registration

CONSENT AND WAIVER OF HEARING

The undersigned persons understand and acknowledge that Freedom Title, LLC has the right to a hearing, but that Freedom Title, LLC has waived the hearing and consented to the issuance of this Consent Order.

Freedom Title, LLC

7-16-07

By: Mike Woijeck Date

Its: Managing Member

Capes, Sokol, Goodman & Sachse, P.C.

7/18/07

S. Todd Hamby, Esq. Date

Counsel for Freedom Title, LLC

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7701 Forsyth Blvd., 12th Floor

Clayton, Missouri 63105

Telephone: (314) 721-7701

7-23-07

Tamara A. Wallace Date

Counsel for Consumer Affairs Division

Missouri Bar # 59020

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