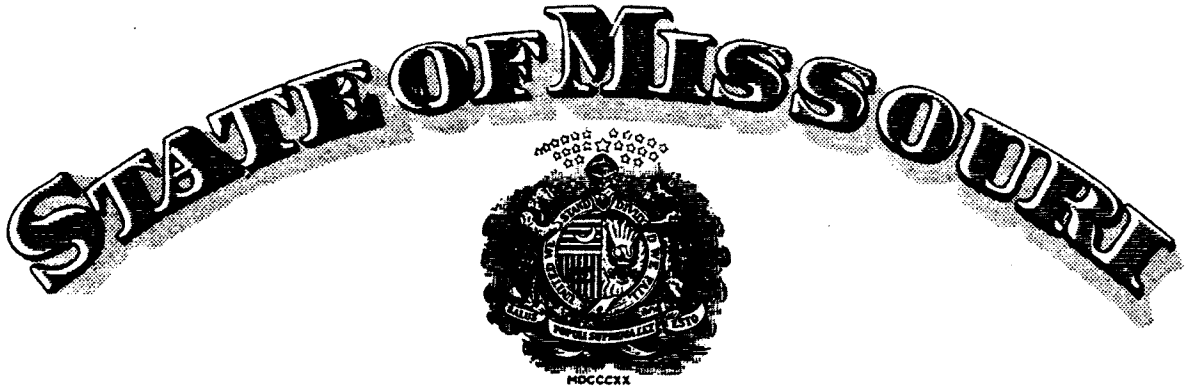

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

In the Matter of:	)	
	)	
GUARANTY TITLE COMPANY, INC.	)	
	)	
AND	)	
	)	
GUARANTY TITLE COMPANY OF SOUTHWEST MISSOURI	)	
	)	**Case No. 07-0122097C**
AND	)	
	)	
RICHARD G. "RICK" BURTON	)	
	)	
AND	)	
	)	
KATHY C. STANTON (A/K/A "KATHY ALLEN")	)	
	)	
AND	)	
	)	
STEPHANIE L. GRAY,	)	
	)	
Respondents.	)	

CONSENT ORDER

LINDA BOHRER, Acting Director of the Department of Insurance, Financial Institutions and Professional Registration takes up the above matter for consideration and

disposition. The Division of Consumer Affairs, through legal counsel Tamara W. Kopp, and Kathy C. Stanton (a/k/a "Kathy Allen", hereinafter "Respondent Stanton"), have reached a settlement in this matter and have consented to the issuance of this Consent Order.

Guaranty Title Company, Inc., (hereinafter "Respondent Guaranty"), Guaranty Title Company of Southwest Missouri, (hereinafter "Respondent Guaranty SWM"), Richard G. "Rick" Burton, (hereinafter "Respondent Burton"), and Stephanie L. Gray (hereinafter "Respondent Gray"), previously reached a settlement in this matter and the respective insurance licenses were revoked by former Director, Douglas M. Ommen, on May 20, 2008.

1. Linda Bohrer is the appointed Acting Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration (hereinafter, "Director") whose duties, pursuant to Chapters 374, 375 and 381, RSMo, include supervision, regulation and discipline of insurance producers, title insurance companies, title agencies, and title agents.

2. The Consumer Affairs Division has the duty of conducting investigations into the acts of insurance companies, agents and agencies, title insurance companies, title agencies and title agents 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. Respondent Guaranty is a Missouri corporation registered with the Missouri Secretary of State (Charter Number 00501456) with its principal place of business or corporate headquarters in Nixa, Missouri. Former Director, Douglas M. Ommen, revoked

Respondent Guaranty's business entity producer license on May 20, 2008. (License Number AG8013873).

4. Respondent Guaranty SWM is a Missouri corporation registered with the Missouri Secretary of State (Charter Number 00680437) with its principal place of business or headquarters in Ozark, Missouri. Former Director, Douglas M. Ommen, revoked Respondent Guaranty SWM's business entity producer license on May 20, 2008. (License Number AG8020472).

5. At all times relevant, Respondent Burton was listed as an owner and President of Respondent Guaranty. Former Director, Douglas M. Ommen, revoked Respondent Burton's insurance producer license on May 20, 2008. (License Number PR223145).

6. Respondent Stanton is a natural person and a resident of Missouri. At all times relevant, Respondent Stanton was listed as an owner of Respondent Guaranty. The Department issued an insurance producer license to Respondent Stanton. (License Number PR177277). Such license was revoked for tax compliance on August 12, 2004; however, such license status does not prohibit an Administrative Hearing Commission finding of cause to discipline Respondent Stanton's license.[1]

7. At all times relevant, Respondent Gray was listed as President of Respondent Guaranty SWM. Respondent Gray's insurance producer license expired on September 5, 2007, and former Director, Douglas M. Ommen revoked Respondent Gray's insurance producer license on May 20, 2008. (License Number PR151691).

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[1] See, Director of Insurance v. Polsky, 04-1351 DI (Mo. Admin. Hrg. Comm.).

8. In January of 2006, the Respondents Burton and Stanton, the owners of Respondent Guaranty, leased the assets of Respondent Guaranty to Respondent Guaranty SWM.

9. On or about December 15, 2006, the Department's Consumer Affairs Division referred Investigation File Number 06A000501, concerning respondents, to former Director Douglas M. Ommen seeking to discipline Respondents' respective insurance producer licenses and business entity producer licenses.

10. The Consumer Affairs Division alleged that Respondents collectively misappropriated funds from escrow and other business accounts for personal gain. Specifically, the Consumer Affairs Division alleged that the Director had grounds for discipline of Respondents' respective insurance or title licenses pursuant to:

a. Section 375.141.1(2), RSMo, for disbursing funds for escrow accounts without corresponding deposits to the escrow accounts, a violation of 381.412.2, RSMo (2000).

b. Section 375.141.1(2), RSMo, for not upholding its or their fiduciary responsibilities to both the insurance company and title insurance applicant for premiums collected, a violation of sections 381.131, RSMo (Supp. 2000), 375.051.1 and 375.051.2, RSMo (Supp. 2005).

c. Section 375.141.1(4), RSMo, for improperly withholding premiums paid by Missouri consumers, estimated at the time the investigation report was submitted, at approximately four hundred thousand dollars ($400,000) for approximately five thousand, three hundred twenty-three (5,323) unreported policies.

d. Section 375.141.1(8), RSMo, for demonstrating incompetence and financial irresponsibility in the above cited conduct and further, for not conducting regular reconciliations of escrow and construction disbursements accounts.

11. During the Consumer Affairs Division investigation, Respondents' underwriter, Commonwealth/LandAmerica, and Respondents established a premium trust account and executed a promissory note with Respondent Stanton and Respondent Burton to collect approximately $400,000 for unreported policies.[2]

12. On or about June 19, 2007, Respondents ceased title insurance operations in all locations. Respondents' multiple escrow accounts and multiple banks were frozen in response to Respondents' account shortages.

13. During June and July 2007, Respondents' underwriter conducted an investigation into Respondents' title insurance business activities. As of July 9, 2007, the underwriter auditors estimated that Respondent SWM's escrow accounts were deficient approximately $5.1 million. Further, the underwriter auditors estimated that Respondent SWM owed the underwriter approximately $83,803 in unremitted policy premiums and $341,739 on the promissory note executed by Respondents Burton and Stanton in November 2006.

14. The Department has received multiple complaints from consumers who lost money that was deposited in Respondents' escrow accounts, construction disbursement accounts and 1031 exchange accounts. Many of these complainants have filed civil lawsuits in an effort to collect funds entrusted to Respondents.

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[2] Respondents Burton and Stanton agreed to pay $381,230.62 to the underwriter for unremitted policy premiums. The promissory note required that Respondents Burton and Stanton pay $18,504.15 per month for a period of 24 months beginning in November 2006.

15. On December 6, 2007, the Director filed a complaint with the Administrative Hearing Commission seeking a finding that he has cause to discipline Respondents' respective insurance licenses. The Administrative Hearing Commission set a hearing on the matters raised by the Director for November 3, 2008. Upon the Director's final execution of this Consent Order, the Director will dismiss her case against the signatories of this Consent Order with prejudice.

16. Respondent Stanton neither admits nor denies the allegations raised by the Director or Consumer Affairs Division and has stipulated and agreed to waive any rights that she may have to a hearing before the Administrative Hearing Commission or the Director and any rights to seek judicial review or other challenge or contest of the terms and conditions of this Consent Order and forever releases and holds harmless the Department, the Director and her agents, and the Consumer Affairs Division from any and all liability and claims arising out of, pertaining to or relating to this matter.

17. The Director is authorized to enforce this order and should Respondent Stanton fail to comply with the conditions set forth herein, the Director or her successors, without any limitation, may initiate any action authorized by law.

Conclusions of Law

18. The Director is authorized to settle this matter and the Director is authorized to issue this Consent Order in the public interest pursuant to sections 374.046 (Supp. 2007) and 374.280, RSMo (2000).

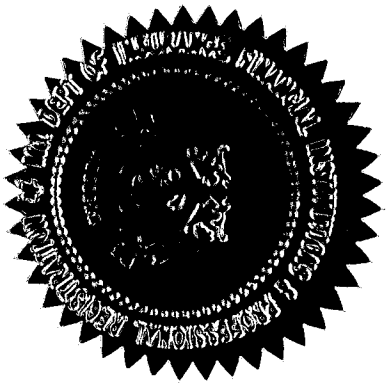
19. The terms set forth in this Consent Order are an appropriate disposition of this matter and entry of this order is in the public interest.

ORDER

IT IS ORDERED THAT Kathy C. Stanton's (a/k/a "Kathy Allen") insurance producer license (No. PR177277) is hereby revoked.

EACH signatory to this Consent Order certifies by signing that he or she is fully authorized, in his or her own capacity, or by the named party he or she represents, to accept the terms and provisions of this Consent Order in their entirety, and agrees, in his or her personal or representational capacity, to be bound by the terms of this Consent Order.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 20th DAY OF June, 2008.



LINDA BOHRER
Acting Director, Missouri Department of Insurance, Financial Institutions & Professional Registration

CONSENT AND WAIVER OF HEARING

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

Kathy C. Stanton Allen — 6-16-08

Kathy C. Stanton (a/k/a Kathy Allen) — Date
Respondent
10601 Highway F
Sarcoxie, Missouri 64862

Thomas D. Carver, Esq. — Date
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6/16/2008

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Tamara W Kopp — 6-19-08

Tamara W. Kopp — Date
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