



## State of Missouri

### DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

IN RE:

SARA CAREY,

Renewal Applicant.

Case No. 130913528C

#### **ORDER REFUSING TO RENEW** **AN INSURANCE PRODUCER LICENSE**

On October 22, 2013, the Consumer Affairs Division ("Division") submitted a Petition to the Director alleging cause for refusing to renew the insurance producer license of Sara Carey. After reviewing the Petition, the Investigative Report, and the entirety of the file, the Director issues the following findings of fact, conclusions of law, and order:

#### **FINDINGS OF FACT**

1. Sara Carey ("Carey") is a Missouri resident with a residential, business, and mailing address of 1805 Majestic Oaks Dr., Wentzville, Missouri 63385.
2. On or about October 7, 2013, Carey submitted her electronic Uniform Application for Individual Producer License Renewal/Continuation ("Renewal Application") to the Department of Insurance, Financial Institutions and Professional Registration ("Department").
3. Carey has been licensed by the Department since November 4, 2003 (license number 319729). Her license expires on November 4, 2013.
4. On or about May 22, 2012, the Division received a complaint from an individual named Beverly Crawford relative to her 2011 sale of property located at 3316-18 Belt Avenue, St. Louis, Missouri 63120 ("the Belt property").<sup>1</sup>
5. Carey and her business entity producer, Community Title Services, LLC ("Community Title"), ultimately closed for the buyer in Crawford's 2011 sale of the Belt

<sup>1</sup> Documents show that Ms. Crawford actually owned the Belt property along with her husband, Rufus Crawford, though the two were divorced on or about October 30, 2006. But Ms. Crawford signed the Special Sale Contract and Amendments for the 2011 sale of the Belt property; Mr. Crawford did not. Because of this, and for simplicity, we will only reference Ms. Crawford ("Crawford").

property.

### A Brief Sales History of the Belt property

6. Crawford initially purchased the Belt property in October 2006 from John Easley ("Easley") who was then president of Surety Investment Group ("Surety Investment"). Carey closed for the seller, Easley, in this October 2006 transaction. At that time, Carey worked for Equity Land Title, LLC. Easley filed the Articles of Organization for Equity Land Title, LLC in 2005.

7. When Crawford purchased from Easley, she took out a mortgage from Meritage Mortgage Corporation<sup>2</sup> in the amount of \$96,050.00. Also as part of the purchase of the Belt property, Easley agreed to a deed of trust or seller take back to Surety Investment in the amount of \$16,950.00 ("seller take back").

8. The legal description for the Belt property in the sale from Easley to Crawford reads as follows:

The Northern 20 feet of Lot 5 and the Southern 22 feet of Lot 6 in **Block 4** of Mars Place and in Block 4364 of the City of St. Louis, together fronting 42 feet on the **West** line of Belt Avenue, by a depth Eastwardly between parallel lines of 200 feet 2 inches on the North line and 200 feet  $\frac{3}{4}$  inches on the South line to an alley.

(emphasis supplied).

9. This legal description is incorrect in at least two respects, as follows:

a. The above legal description reads Block 4; it should read Block 5. When Carey later had a title search done by Real Property Research, L.L.C. in aid of preparing a commitment for the 2011 sale of the Belt property, the search's legal description listed Block 5, not Block 4.

b. The above legal description references the West line of Belt Avenue. Were this correct, viewing the entire legal description in context, Belt Avenue would run through the middle of the Belt property, requiring an exception. That, however, is not the case. The proper legal description should reference the East line of Belt Avenue.

10. These same legal description errors existed in the previous transfer of the Belt property, in May of 2006, from James and Michelle Macon to Carla Townsend, who then immediately quit-claimed her interest in the Belt property to Easley. Carey, who closed for

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<sup>2</sup> Meritage Mortgage Corporation subsequently became MGC Mortgage, Inc. ("MGC").

Easley when he sold to Crawford in October 2006, did not fix these errors, and they persist through all documents relating to Crawford's 2011 sale of the Belt property.

### **Crawford's 2011 Sale of the Belt property**

#### **The Sale Parameters**

11. On May 15, 2011, Crawford entered into a Special Sale Contract for the sale of the Belt property to an individual named Rosalind Johnson ("Johnson"). The contract listed a purchase price of \$7,000.00, with \$500.00 earnest money deposited to Lafayette Title ("Lafayette"), who ultimately closed for the seller, Crawford. The contract specified a closing date of June 30, 2011.

12. Relative to the sale, Lafayette issued a commitment for title insurance effective May 23, 2011. This document listed several exceptions,<sup>3</sup> among them, the following deeds of trust that Crawford, the seller, had initially used to purchase the Belt property in 2006:

a. A deed of trust for the mortgage from MGC in the amount of \$96,050.00. This deed was recorded on November 7, 2006 with the Recorder of Deeds for the City of St. Louis.

b. A deed of trust for the seller take back in the amount of \$16,950.00 dated October 30, 2006. Surety Investment, by Carla Townsend, President, later assigned this deed of trust to Allied Property Ventures, LC, by John Easley, Manager. That Assignment of Deed of Trust was recorded on July 16, 2008 with the Recorder of Deeds for the City of St. Louis.

13. The Lafayette title insurance commitment also listed exceptions for a lien and a judgment in favor of the St. Louis Metropolitan Sewer District ("MSD") for sewer fees that Crawford had not paid on the Belt property.

14. The Special Sale Contract for the 2011 sale of the Belt property was ultimately amended twice, as follows:

a. The first amendment moved the closing date from June 30, 2011 to August 30, 2011. This amendment also increased the sales price to \$8,000.00. Crawford and Johnson both signed this amendment on July 25, 2011.

b. The second amendment extended the closing date to "on or before October 17, 2011" and substituted Yolanda Whitfield ("Whitfield") for Johnson as the buyer. The second amendment also added terms for the payment of delinquent sewer and water bills owed by Crawford for the

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<sup>3</sup> Exceptions in a commitment remove matters from coverage that would otherwise fall within the policy.

property and specified that the buyer would pay those bills.<sup>4</sup> Crawford and Whitfield both signed this second amendment on October 13, 2011; Johnson did not.

15. Before the closing, Community Title issued a commitment effective September 9, 2011. This commitment contained exceptions for the deeds of trust for the MGC mortgage and the seller take back. It also contained exceptions for an MSD sewer lien and an MSD sewer judgment. The version of the commitment that Carey later marked up<sup>5</sup> shows the paragraph regarding the sewer lien with a handwritten notation, "Pd @ close." The paragraph regarding the sewer judgment has an arrow next to it pointing to the paragraph regarding the sewer lien and the handwritten notation, "Pd w/this." The commitment contained the wrong legal description as described above, incorrectly referencing Block 4 instead of Block 5, and the West line of Belt rather than the East line.

16. On September 20, 2011, MGC approved the pre-foreclosure sale of the Belt property by Crawford in an instruction letter that set forth the following conditions pertinent here:

- a. The sales price was \$8,000.00.
- b. The closing was to occur on or before October 17, 2011.
- c. The net sales proceeds to MGC were to be no less than \$6,404.56.
- d. Funds had to be tendered to MGC and in hand by October 18, 2011.
- e. MGC was to receive a copy of the HUD-1 Settlement Statement<sup>6</sup> for approval.
- f. Any overages or tax credits were to increase the net sales proceeds.

17. On October 14, 2011, Crawford signed an affidavit indicating, among other things, that she would not receive any net proceeds of the sale and that if there were such proceeds, they would be paid to the holder of the note on the Belt property (*i.e.*, MGC).

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<sup>4</sup> Regarding the sewer payment in particular, the amendment reads, "Buyer to pay past due/delinquent sewer bill to MSD."

<sup>5</sup> The "marked up" version of a commitment or other document refers to the version that is actually written on at or near closing to reflect any changes arising at that time.

<sup>6</sup> "HUD" stands for Housing and Urban Development. The HUD-1 Form is also known as a "Settlement Statement," a "Settlement Sheet," or a "Closing Statement." Lenders providing funds for real estate purchases or refinancing must use the HUD-1. The HUD-1 should set out all the costs involved in a real estate transaction and which party will pay them. Here, since the ultimate buyer, Whitfield, did not use a lender, the HUD-1 was not required. That said, MGC in its instruction letter, conditioned the pre-foreclosure sale of the Belt property upon, among other things, completion and submission of a HUD-1.

### **The Crawford/Whitfield Closing**

18. On October 14, 2011, Carey closed for the buyer, Whitfield, and Lafayette closed for the seller, Crawford. Johnson did not take part in the closing. No one purchased title insurance.

19. During the closing, Carey used an incomplete copy of the contract,<sup>7</sup> an information sheet faxed to her by Lafayette, and the short sale lender's (MGC's) instruction letter as closing instructions.

20. The complete contract, together with its amendments, and the information sheet from Lafayette, provided for payment of MSD by the buyer, Whitfield.

21. MGC's instruction letter did not mention the money owed to MSD. It did, however, make clear that the buyer's funds were not to benefit the seller, Crawford; rather, any overages were to increase the net sales proceeds going to MGC.

22. As part of the closing, Carey prepared the HUD-1 Settlement Statement. Under the "Additional Settlement Charges" section of the form, under "Sewer to MSD," Carey indicated "POC: 3718.64."<sup>8</sup> Carey submitted the HUD-1 Settlement Statement to MGC for approval per the terms of MGC's instruction letter.

23. On October 14, 2011, Whitfield signed a quit claim deed for the Belt property that she had just acquired to FOCI Enterprises, LLC ("FOCI").

24. Also on October 14, 2011, Carey notarized the signature of John Easley for the release of the seller take back which, by then, had been assigned to Allied Property Ventures, LC. As of at least November 30, 2008, Easley was Vice President of Allied Property Ventures, LC.

25. On October 19, 2011, Carey recorded the deed from Crawford to Whitfield. She recorded the quit claim deed from Whitfield to FOCI as a consecutive document, filed on the same date and at the same time. She recorded the release of the seller take back on October 21, 2011. All documents contained the wrong legal description, referencing Block 4 instead of Block 5, and the West line of Belt rather than the East line.

### **The Monetary Transactions from the Crawford/Whitfield Closing**

26. On October 18, 2011, Carey instructed Commerce Bank to wire MGC \$6404.56 from Community Title's trust account. No funds had been deposited yet for the 2011 sale of the

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<sup>7</sup> Carey's copy of the contract was missing pages 4 of 6 and 5 of 6.

<sup>8</sup> POC, in this context, stands for "Paid Outside of Closing." MSD had obtained a judgment against Crawford in April 2011, but it agreed to this discounted amount (\$3718.64) if paid by November 14, 2011.



Belt property.

27. Carey received monies from various sources relative to the sale of the Belt property. She made the following deposits into Community Title's trust account on October 21, 2013:

- a. \$3,378.67 in total from Easley, in the form of two Bank of America cashier's checks for \$2378.67 and \$1000.00, both dated October 20, 2011.
- b. \$450.00 from Jermaine Bryant<sup>9</sup> in the form of a postal money order, dated October 21, 2011.
- c. \$2,500.00 in cash remitted by Community Title. The source of the cash is not documented.
- d. \$3,050.00 remitted by Community Title in the form of a cashier's check. This cashier's check was purchased on October 21, 2011 with funds from Community Title's operating account; a corresponding amount was transferred into that account the following day.
- e. A check for \$151.04 dated October 14, 2011, from Lafayette's trust account for funds required from the seller. The deposit slip that Carey filled out is dated October 19, 2011, but the check stamped by the bank shows that it was deposited on October 21, 2011.

#### **Division Inquiries and Carey's Responses**

28. As noted, the Division became aware of the circumstances surrounding the 2011 sale of the Belt property when Crawford initiated a complaint with the Division, on May 22, 2012. She did so because MSD did not receive payment, outside of closing or otherwise, and ultimately Crawford's wages were garnished by MSD.

29. On or about May 25 and June 20, 2012, Kathleen Jolly, Investigative Consultant with the Division, sent letters to Carey and Community Title, inquiring regarding Crawford's complaint relative to the 2011 sale of the Belt property and requesting Carey's complete file documentation on the sale.

30. On or about June 19, 2012, Carey responded by letter and provided some file documents relative to the 2011 sale of the Belt property.

31. On June 26, 2012, Jolly sent a letter to Carey regarding the file that she had provided, indicating that Carey had failed to include documentation that one would expect to find in a

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<sup>9</sup> Documents relative to the 2011 sale of the Belt property do not reveal who Jermaine Bryant is, or with what participating entity he might have been affiliated.

closing file, such as the file ledger, instructions for closing, and evidence of search and examination of title. Jolly also inquired about Community Title's Agency Financial Interest Report and Affiliated Business Arrangement Report and asked Carey to provide those documents as well. Jolly indicated that Carey's response was due by July 20, 2012.

32. On July 26, 2012, Carey filed an Agency Financial Interest Report and an Affiliated Business Arrangement Report with the Department.

33. Carey did not provide the other materials that Jolly had requested by July 20, 2012, and did not demonstrate reasonable justification for the delay.

### **CONCLUSIONS OF LAW**

34. Section 375.141.1 RSMo Supp. 2012<sup>10</sup> provides, in part:

The director may suspend, revoke, refuse to issue or refuse to renew an insurance producer license for any one or more of the following causes:

\* \* \*

(2) Violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state;

\* \* \*

(8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere[.]

35. Section 381.022 provides, in relevant part, as follows:

2. A title insurer, title agency, or title agent not affiliated with a title agency may operate as an escrow, security, settlement, or closing agent, provided that all funds deposited with the title insurer, title agency, or title agent not affiliated with a title agency, pursuant to written instructions in connection with any escrow, settlement, closing, or security deposit shall be submitted for collection to or deposited in a separate fiduciary trust account or accounts in a qualified depository institution no later than the close of the second business day after receipt, in accordance with the following requirements:

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<sup>10</sup> All further statutory references are to RSMo Supp. 2012 unless otherwise noted.

\* \* \*

(2) The funds shall be applied only in accordance with the terms of the individual written instructions or agreements under which the funds were accepted.

3. It is unlawful for any person to

(1) Commingle personal or any other moneys with escrow funds regulated under this section;

(2) Use such escrow funds to pay or indemnify against debts of the title insurance agent or of any other person;

(3) Use such escrow funds for any purpose other than to fulfill the terms of the individual written escrow instructions after the necessary conditions of the written escrow instructions have been met;

\* \* \*

5. Notwithstanding the provisions of subsection 2 of this section, a title insurer, title agency, or title agent is not authorized to provide such services as an escrow, security, settlement, or closing agent in a residential real estate transaction unless as part of the same transaction the title insurer, title agency, or title agent issues a commitment, binder or title insurance policy and closing protection letters have been issued protecting the buyer's and the seller's interests, or the title agency or agent has given written notice to the affected person in a title insurance commitment or on a form approved by rule promulgated by the director that the person's interest in the closing or settlement is not protected by the title insurer, title agency, or title agent.

6. It is unlawful for any title agency or agent to engage in the handling of an escrow, settlement or closing of a residential real estate transaction unless the escrow handling, settlement or closing is conducted or performed in contemplation of and in conjunction with the issuance of a title insurance policy or a closing protection letter, or prior to the receipt of any funds, the title agency or agent clearly discloses to the seller, buyer or lender involved in such escrow, settlement or closing, that no title insurer is providing any protection for closing or settlement funds received by the title agency or agent.

36. Section 381.026 provides as follows:



1. The settlement agent shall present for recording all deeds and security instruments for real estate closings handled by it within five business days after completion of all conditions precedent thereto unless otherwise instructed by all of the parties to the transaction.

2. Nothing in this chapter shall be deemed to prohibit the recording of documents prior to the time funds are available for disbursement with respect to a transaction in which a title insurer, title agency, or title agent not affiliated with a title agency is the settlement agent, provided all parties to whom payment will become due upon such recording consent thereto in writing.

37. Section 381.029.4 provides as follows:

The director shall require each title insurer, agency, and agent to file on forms prescribed by the director reports setting forth the names and addresses of those persons, if any, that have a financial interest in the insurer, agency, or agent and who the insurer, agency, or agent knows or has reason to believe are producers of title insurance business or associates of producers, except the duty to report shall not include shareholders of record of any publicly traded insurer.

38. Section 381.048.1 provides as follows:

The director may bring an action against any title insurer, title agency, title agent, or any director officer, agent, employee, trustee, or affiliate of a title insurer, title agency, or title agent in a court of competent jurisdiction to enjoin violations of the Real Estate Settlement Procedures Act, 12 U.S.C. Section 2607, as amended.

39. Section 381.412.2 provides as follows:

It is unlawful for any title insurer, title agency, or title agent, as defined in section 381.009, to make any payment, disbursement or withdrawal from an escrow account which it maintains as a depository of funds received from the public for the settlement of real estate transactions unless a corresponding deposit of funds was made to the escrow account for the benefit of the payee or payees:

- (1) At least ten days prior to such payment, disbursement, or withdrawal; or
- (2) Which consisted of certified funds; or

(3) Consisted of a check made exempt from this section by the provisions of subsection 1 of this section.

40. 20 CSR 100-4.100(2)(A) provides as follows:

Upon receipt of any inquiry from the division, every person shall mail to the division an adequate response to the inquiry within twenty (20) days from the date the division mails the inquiry. An envelope's postmark shall determine the date of mailing. When the requested response is not produced by the person within twenty (20) days, this nonproduction shall be deemed a violation of this rule, unless the person can demonstrate reasonable justification for that delay.

41. 20 CSR 500-7.070(2) provides as follows:

(A) Agency Financial Interest Report.

1. Title agencies are required under section 381.029.3, RSMo, to report the agency's owners, the agency's ownership interests in other persons or businesses, and material transactions between the parties. Such report shall be filed with the department by March 31 of each year using The Agency Financial Interest Report (Form T-5A). Title agencies shall update and resubmit this Form T-5A within thirty (30) days of any material change to the information submitted regarding the agency's financial interests, parties with financial interests in the agency, or parties with financial interests in the insurer, agency, or agent who are producers or associates of producers.

42. 24 CFR Ch. 20 § 3500, Appendix A, General Instructions, provides, in part, as follows:

The settlement agent shall complete the HUD-1 to itemize all charges imposed upon the Borrower and the Seller by the loan originator and all sales commissions, whether to be paid at settlement or outside of settlement, and any other charges which either the Borrower or the Seller will pay at settlement.

\* \* \*

Charges paid outside of settlement by the borrower, seller, loan originator, real estate agent, or any other person, must be included on the HUD-1 but marked "P.O.C." for "Paid Outside of Closing" (settlement) and must not be included in computing totals....P.O.C. items must not be placed in the Borrower or Seller columns, but rather

on the appropriate line outside the columns. The settlement agent must indicate whether P.O.C. items are paid for by the Borrower, Seller, or some other party by marking the items paid for by whoever made the payment as "P.O.C." with the party making the payment identified in parentheses, such as "P.O.C. (borrower)" or "P.O.C. (seller)".

43. The principal purpose of § 375.141 is not to punish licensees or applicants, but to protect the public. *Ballew v. Ainsworth*, 670 S.W.2d 94, 100 (Mo.App., E.D. 1984).

44. Carey's Renewal Application for an individual resident insurance producer license may be refused under § 375.141.1(2) for violating various insurance laws relating largely to title insurance, in the following respects:

a. Carey violated § 381.026.2, because she recorded documents related to the 2011 sale of the Belt property by Crawford before funds were available for disbursement. This constitutes a violation, as Carey recorded the sale-related documents on October 19, 2011, and did not deposit the funds from the transaction until October 21, 2011, but she did not obtain consent in writing from all parties to whom such payments would become due as the statute requires.

b. Carey violated § 381.412.2, because Carey disbursed funds from Community Title's trust account before making a corresponding deposit when she disbursed \$6404.56 to MGC on October 18, 2011. She did not deposit any funds related to the 2011 sale of the Belt property into Community Title's trust account until three days later, on October 21, 2011.

c. Carey violated § 381.022.3(2) and (3) because by disbursing funds from Community Title's trust account before making a corresponding deposit when she paid out MGC on October 18, 2011, she necessarily used other consumers' funds to pay MGC as she had not yet deposited the proceeds from the 2011 sale of the Belt property.

d. Carey violated § 381.022.3(1) because she deposited funds from Community Title's operating account into the trust account and thus commingled funds when she purchased a cashier's check on October 21, 2011. She deposited this cashier's check on October 21, 2011 into Community Title's trust account, along with the other funds for the 2011 sale of the Belt property.

e. Carey violated § 381.022.2 because she did not deposit a check by the close of the second business day after receipt. Carey received a check for the file from Lafayette, who closed for the seller, Crawford, that was dated

October 14, 2011, but Carey did not fill out a deposit slip for it until October 19, 2011, and did not deposit it with the bank until October 21, 2011.

f. Carey violated § 381.022.5 and .6 because she provided escrow, settlement or closing services in a residential transaction without having given written notice to the parties that a title insurer was not providing any protection for the funds received by the title agent.

g. Carey violated 24 CFR 3500, App. A, part of the Real Estate Settlement Procedures Act ("RESPA"), and § 381.048.1 because she indicated on the HUD-1 Settlement Statement that the sewer lien was "POC" – Paid Outside of Closing – but she did not indicate who would be responsible for payment.

h. Carey violated § 381.029.4 and 20 CSR 500-7.070(2)(A)(1) because she failed to timely file an Agency Financial Interest Report and an Affiliated Business Arrangement Report with the Director by March 31. Carey filed an Agency Financial Interest Report and an Affiliated Business Arrangement Report on July 26, 2012, but only after having been counseled by Investigative Consultant Jolly regarding their necessity.

i. Carey violated 20 CSR 100-4.100(2)(A), because she failed to mail to the Division an adequate response within 20 days. Investigative Consultant Jolly, in her inquiry letters of May 25, June 20, and June 26, 2012, requested complete file materials relative to the closing on the 2011 sale of the Belt property. Carey did not provide the complete title and closing files including the file ledger, the instructions for closing, and evidence of the search and examination of title, within 20 days from the date when the Division mailed its inquiry. Carey has not demonstrated reasonable justification for the delay.

45. Carey's Renewal Application for a resident individual insurance producer license may be refused under § 375.141.1(8) for using fraudulent or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere, in the following respects:

a. Carey drafted documents that contained incorrect legal descriptions. In particular, Carey used the wrong the legal description in Community Title's commitment, referencing Block 4 instead of Block 5, and West instead of East. Carey prepared this incorrect commitment, despite the fact that the title search she requested should have alerted her to a potential problem with the block number. Further, Carey handled the closing for Easley in the previous sale of the Belt properly in 2006, from Easley to Crawford, where the legal description was similarly inaccurate. Thus, while Carey had both the time and

multiple opportunities to correct the incorrect legal description on the Belt property, she did not do so, thereby obscuring clear title with increasingly entrenched errors.

b. Carey drafted a release document which incorrectly described the deed of trust to be released and incorrectly identified the current assignee of the deed of trust, and she notarized the purported assignee's signature with an individual acknowledgement even though the assignee was an LC. In particular, when Whitfield quit-claimed her just-acquired interest in the Belt property to FOCI, Carey prepared a release of the seller take back. By 2011, that seller take back had been assigned to Allied Property Ventures, LC. But in the 2011 sale of the Belt property, Carey prepared a release from "John Easley, Allied Property Ventures, LC" and notarized Easley's individual signature.

c. Carey failed to obtain written instructions from all parties providing funds deposited into Community Title's trust account for a transaction. Instead, Carey used only a partial copy of the Special Sale Contract, an information sheet faxed to her by Lafayette, who closed for Crawford, and MGC's instruction letter when closing on the 2011 sale of the Belt property. Carey had no written instructions from Easley, who provided \$3378.67 in the form of two cashier's checks. Similarly, Carey had no written instructions regarding the \$2500.00 cash or the \$450.00 money order from Jermaine Bryant that she deposited into Community Title's trust account relative to the 2011 sale of the Belt property.

d. Carey closed a contract with a new buyer without obtaining instructions to do so from the original buyer. The Special Sale Contract and the first amendment to that contract list Crawford as the seller and Johnson as the buyer. In the second amendment to the Special Sale Contract, Johnson falls away as buyer, and suddenly, Yolanda Whitfield appears as purchaser. No other explanation or instructions exist relative to the substitution of Whitfield for Johnson.

e. Carey recorded the seller's deed without first complying with the seller's instructions regarding payment of the full purchase price, including the payment to MSD.

f. Carey closed a short sale knowing that a payment for the benefit of the seller was to be made by the buyer (*i.e.*, the payment to MSD) which was inconsistent with the lender's conditions for the short sale. In particular, MGC's instruction letter specified that the seller, Crawford, should not receive any overages and that any such overages should benefit MGC. Crawford, in



fact, signed an affidavit to that effect, *i.e.*, that she would not receive any overages from the sale.

46. The Director has considered Carey's history and all of the circumstances surrounding Carey's Renewal Application. As the 2011 sale of the Belt property demonstrates, Carey has been playing fast and loose with the financial, recording, closing, notice, and reporting requirements of Missouri's title insurance laws. In particular, as to finance, Carey disbursed funds from the sale before receiving and depositing the proceeds, deposited proceeds from unknown sources, and comingled funds when she moved operating account monies into the trust account in order to buy a cashier's check to use to purchase the Belt property, when that money should have come from the trust account in the first instance. As pertains recording, Carey prepared, then recorded, documents that contained incorrect legal descriptions, leading to questions about, and discrepancies in, title. In closing the 2011 sale of the Belt property, Carey used incomplete instructions, inaccurate legal descriptions and inappropriate forms. Carey failed to notify parties to the 2011 sale of the Belt property that the transaction was not protected by title insurance; she apparently never notified the original buyer, Johnson, about anything at all. Finally, Carey failed to timely provide required reports to the Department regarding her business arrangements and she failed to mail an adequate response to the Division's inquiries regarding her file in this case or to demonstrate a reasonable justification for the delay. Given these slipshod practices and serious lapses, renewal of Carey's insurance producer license would not be in the interest of the public. Accordingly, the Director exercises his discretion to refuse to renew Carey's individual resident insurance producer license.

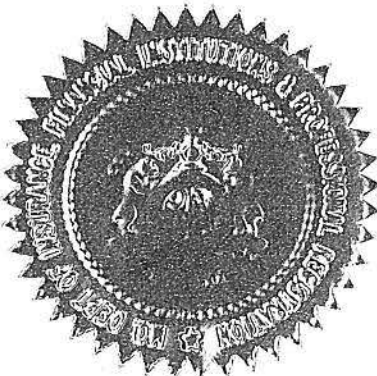
47. This Order is in the public interest.

#### ORDER

**IT IS THEREFORE ORDERED** that the individual resident insurance producer license renewal application of Sara Carey is hereby **REFUSED**.

**SO ORDERED.**

WITNESS MY HAND THIS 25<sup>th</sup> DAY OF OCTOBER, 2013.



  
JOHN M. HUFF  
DIRECTOR



### NOTICE

**TO: Applicant and any unnamed persons aggrieved by this Order:**

You may request a hearing in this matter. You may do so by filing a complaint with the Administrative Hearing Commission of Missouri, P.O. Box 1557, Jefferson City, Missouri, within 30 days after the mailing of this notice pursuant to Section 621.120, RSMo. Pursuant to 1 CSR 15-3.290, unless you send your complaint by registered or certified mail, it will not be considered filed until the Administrative Hearing Commission receives it.

### CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of October, 2013, a copy of the foregoing Order and Notice was served upon the Applicant in this matter by first class mail, postage pre-paid, and by UPS with signature required at the following address:

Sara Carey  
1805 Majestic Oaks Dr.  
Wentzville, Missouri 63385

Tracking No. 1Z0R15W84293749522

  
Kathryn Randolph, Paralegal  
Missouri Department of Insurance, Financial  
Institutions and Professional Registration  
301 West High Street, Room 530  
Jefferson City, Missouri 65101  
Telephone: 573.751.2619  
Facsimile: 573.526.5492  
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