

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL & PROFESSIONAL REGULATION
DIVISION OF FINANCIAL INSTITUTIONS

In the Matter of)
WFG National Title Insurance Company) No. 18TI110
)

To: Donald A. O'Neill
WFG National Title Insurance Company
12909 SW 68th Pkwy, Suite 350
Portland, OR 97223

CEASE AND DESIST ORDER

The DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION, DIVISION OF FINANCIAL INSTITUTIONS ("Division"), having conducted an investigation of the activities of WFG National Title Insurance Company ("WFG") pursuant to its authority under Section 21 of the Title Insurance Act, 215 ILCS 155/1 to /25 ("Act"), and Section 10-65 of the Illinois Administrative Act, 5 ILCS 100/1-1 to /15-10 ("APA"), hereby issues this **Order to Cease and Desist** ("Order") for violations of the Act.

STATUTORY PROVISIONS

1. Section 16(a) of the Act states, in part, "No person, firm, partnership, association, corporation or other legal entity shall act as or hold itself out to be a title insurance agent unless duly registered by a title insurance company with the Director."
2. Section 3(3) of the Act states in relevant part:

"Title insurance agent" means a person, firm, partnership, association, corporation or other legal entity registered by a title insurance company and authorized by such company to determine insurability of title in accordance with generally acceptable underwriting rules and standards in reliance on either the public records or a search package prepared from a title plant, or both, and authorized by such title insurance company in addition to do any of the following: act as an escrow agent pursuant to subsections (f), (g), and (h) of Section 16 of this Act, solicit title insurance, collect premiums, or issue title insurance commitments, policies, and endorsements of the title insurance company; provided, however, the term "title insurance agent"

shall not include officers and salaried employees of any title insurance company.

3. Section 21(a) of the Act provides:

No person, firm, partnership, association, corporation or other legal entity shall act as or hold itself out to be a title insurance agent unless duly registered by a title insurance company with the Secretary.

4. Section 21(a)(16) states:

(a) The Secretary may refuse to grant, and may suspend or revoke, any certificate of authority, registration, or license issued pursuant to this Act or may impose a fine for a violation of this Act if he determines that the holder of or applicant for such certificate, registration or license:

(16) has disregarded or violated any provision of this Act or the published rules adopted by the Department to enforce this Act or has aided and abetted any individual, partnership, registered limited liability partnership, limited liability company, or corporation in disregarding any provision of this Act or the published rules.

5. Section 23(a) of the Act provides:

(a) Any violation of any of the provisions of this Act and, beginning January 1, 2013, any violation of any of the provisions of Article 3 of the Residential Real Property Disclosure Act shall constitute a business offense and shall subject the party violating the same to a penalty of \$1000 for each offense.

6. Section 50 II Admin 8100.1600(b) and (c) provide in part:

(b) Each company shall file supplemental registrations for new title insurance agents. Each new title insurance agent shall be registered with the Division within 30 days after the signing of the agency agreement.

(c) No title insurance agent shall conduct business before:

2) being registered with the Division.

7. Section 21(h) of the Act states, in part, “The Secretary may issue a cease and desist order to a title insurance company, agent, or other entity doing business without the required license or registration, when in the opinion of the Secretary, the company, agent, or other entity is violating or is about to violate any provision of this Act or any law or of any rule or condition imposed in writing by the Department.”

FACTUAL FINDINGS

8. WFG National Title Insurance Company (“WFG”) is an authorized title insurance company under the Act.
9. PNTN is a registered title insurance agency under the Act.
10. On or about October 1, 2017 the Department became aware that PNTN had created and maintained a program designed for individuals and small firms to do the “usual duties of registered title agents”, as independent contractors with PNTN.
11. PNTN refers to this program as there “Examining Attorney Program”. PNTN facilitates their transactions via the multiple underwriters with whom PNTN is contracted, but primarily with WFG.
12. PNTN refers to this program as there “Examining Attorney Program”. PNTN facilitates their transactions via the multiple underwriters with whom PNTN is contracted, but primarily with WFG National Title Insurance Company (WFG).
13. PNTN, along with WFG, intentionally facilitate and/or encourage unregistered Title Agents in conducting closings as, and doing the work of, registered title insurance agents for the compensation of a percentage of the collected insurance premium.
14. The examining attorney program is or has been comprised of approximately 103 agent members, who are not registered with the Department. These unregistered agents have conducted 14,056 transactions, between January 1, 2012 and October 1, 2018, while none were registered with the Department via contract with WFG.
15. WFG is in violation of section 21(a)(16) for aiding and abetting PNTN in each of the referenced violations.

Legal Findings

16. Based on the foregoing, the Department finds that WFG has violated Section 21(a)(16) of the Title Insurance Act and Sections 8100.1600(b) and (c) of the Administrative Code.

NOW IT IS HEREBY ORDERED THAT:

1. Pursuant to Section 21(h) of the Act, WFG shall each immediately Cease and Desist aiding and abetting PNTN and the examining attorney program.
2. Pursuant to Section 23(a) of the Act, WFG shall pay a **Penalty** in the amount of \$14,056,000. Payment shall be made by check or money order payable to the Illinois Department of Financial and Professional Regulation and delivered to the Division of Financial Institutions, Title Insurance Section, 100 W. Randolph Street, 9th Floor, Chicago, IL 60601.
3. Such other relief as the court deems just.

Pursuant to Section 21.2, in part, of the Act, notice shall be made either personally or by registered or certified mail, return receipt requested, and by sending a copy of the notice by telephone facsimile or electronic mail, if known and operating, and if unknown or not operating, then by regular mail. Service by mail shall be deemed completed if the notice is deposited as registered or certified mail in the post office, postage paid. WFG may request, in writing, a hearing on the Order within 30 days after the date of service.

Dated this 2d day of November 2018

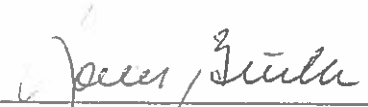

Francisco Menchaca, Director

Illinois Department of Financial and Professional Regulation
Division of Financial Institutions

CERTIFICATE OF SERVICE

I, Louis Butler, Deputy General Counsel of the Illinois Department of Financial and Professional Regulation, hereby certify that on November 2, 2018 I caused a true copy of the foregoing Cease and Desist Order to be served on the party named below, by causing the same to be sent via certified mail (certified mail receipt #70131710000132550596) to the following:

Donald A. O'Neill
WFG National Title Insurance Company
12909 SW 68th Pkwy, Suite 350
Portland, OR 97223



Louis Butler



Illinois Department of
 Financial and Professional Regulation
 100 West Randolph Street
 Suite 9-300
 Chicago, IL 60601



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Sent To Donald A. O'Neil
 WFG National Title Insurance Company
 Street, Apt. or PO Box 12909 SW68th Pkwy, Suite 350
 City, State Portland, OR 97223

PS Form 3800, October 2010

Donald A. O'Neil
 WFG National Title Insurance
 12909 SW 68th Pkwy, Suite
 Portland, OR 97223

PLACE STICKER ABOVE OR ENVELOPE TO THE RIGHT OF THE ADDRESSED LINE

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Donald A. O'Neil
 WFG National Title Insurance Company
 12909 SW68th Pkwy, Suite 350
 Portland, OR 97223

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent
 Addressee
- B. Received by (Printed Name) Date of Delivery
- D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

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4. Restricted Delivery? (Extra Fee) Yes

2. Article Number 7013 1710 0001 3255 0596

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