

WHEREAS, on December 4, 2018, the Division issued to PNTN a Notice of Hearing (the “*Notice of Hearing*”) which incorporated the Order’s allegations and initiated an administrative proceeding (the “*Proceeding*”);

WHEREAS, the Parties mutually desire to reach a satisfactory resolution of the matters alleged in the Notice of Hearing; and

WHEREAS, this Agreement shall not constitute either a denial or admission of liability on the part of PNTN.

NOW, THEREFORE, in consideration of the recitals above and the mutual promises, covenants and statements set forth below the Parties agree as follows:

AGREEMENT TERMS

1. **Term.** This Agreement shall become effective as of the Effective Date and shall remain in effect for a term of three (3) years after the Effective Date (the “*Term*”).

2. **Action Plan.**

2.1. **Title Insurance Premium.** For each quarter (*i.e.*, the three month period ending January 31, April 30, July 31, and October 31) during the Term, PNTN shall test twenty-five (25) randomly-selected transactions for each title insurance underwriter PNTN works with (the “*PNTN Transactions*”) to analyze whether PNTN paid a percentage of a title insurance premium to a person who had not registered as a title insurance agent with the Division for the applicable title insurance underwriter. For purposes of this paragraph, PNTN Transactions shall only include transactions affecting real estate in the City of Chicago or Cook County, DuPage County, Kane County, Lake County, McHenry County and Will County where PNTN acted as settlement service or the non-policy issuing, supervising title insurance agent. PNTN shall provide to the Division for approval the methodology by which it will randomly select the PNTN Transactions before it

conducts its first quarterly review, but in no event later than thirty (30) days¹ after the Effective Date.

2.1.1. **No Adverse Finding.** In any given quarter, if PNTN and the Division confirm there are no instances where PNTN paid a percentage of a title insurance premium to a person who has not been registered as a title agent by the title underwriter who paid PNTN the premium, then PNTN will not be required to review additional records for that quarter.

2.1.2. **Adverse Finding.** In any given quarter, if PNTN or the Division find one or more instances where PNTN paid a percentage of a title insurance premium to a person who has not been registered as a title agent by the title underwriter who paid PNTN the premium, PNTN shall test an additional twenty-five (25) randomly-selected transactions for each title insurance underwriter PNTN works with.

2.1.3. **Reporting.** No later than fifteen (15) days following the end of each quarter, PNTN shall provide to the Division a report containing the results of its testing under this Section. Upon request by the Division, PNTN shall within five (5) days provide the Division with the complete file for any or all of the tested PNTN Transactions. In any instance where PNTN paid a percentage of a title insurance premium to a person who has not been registered as a title agent by the title underwriter who paid PNTN the premium (the “*Person*”), PNTN shall, within ten (10) days of its findings, provide (a) the Person’s name and current contact information to the Division; and (b) provide notice to the appropriate underwriter that such person is not registered as a title agent; and (c) cease doing business with the Person until such person is registered by the title underwriter.

¹ Unless otherwise noted herein, time shall be calculated as provided for in the Financial Institutions Code, 38 Ill. Admin. Code § 200.220.

2.2. **Annual Reports.** No more than thirty (30) days after the anniversary of the Effective Date, PNTN shall yearly provide a report to the Division that lists all unregistered persons who PNTN identified in the past year in accordance with Section 2.1 and provide the date, if any, when PNTN submitted documentation to register the person with the Division.

2.3. **Training.** PNTN shall at its own expense develop and offer a training course to registered title insurance agents in Illinois on relevant industry topics, including but not limited to: compliance with the Act and the Code; ethics in the title insurance industry; and understanding title insurance. Training must be offered annually for the Term of this Agreement, with the first training completed within one-hundred eighty (180) days of the Effective Date. Training must be attended by escrow agents who have or intend to have a financial relationship with PNTN and at least attended by those PNTN representatives responsible for compliance.

2.4. **Division Participation.** PNTN shall notify the Division when the training in Section 2.3 will occur, and the Division may participate, where feasible.

2.5. **Requested Material.** Upon request from the Division, PNTN shall provide, within five (5) days of the request, a summary of the training courses PNTN offered in the prior calendar year, and a copy of any training materials used.

2.6. **Material from the Division.** PNTN shall distribute any title insurance related materials the Division mandates to be distributed by other title insurance service companies operating in Illinois to all member title agents PNTN has entered into an agreement with to provide services in Illinois.

3. **Payment.** Within thirty (30) days after the Effective Date, unless otherwise agreed to by the Parties, PNTN shall pay the amount of four hundred thousand dollars (\$400,000.00) as administrative fees to the Division. PNTN shall send a personal check, cashier's check or money

order payable to: “Illinois Department of Financial & Professional Regulation” to the attention of: Title Insurance Section at 100 W. Randolph Street, 9th Floor, Chicago, Illinois 60601. Failure to pay this amount shall be deemed a violation of the Act.

4. **Miscellaneous.**

4.1. **Release.** The Department hereby releases and forever discharges PNTN and its parents, subsidiaries, successors and assigns from any and all claims it could have brought relating to the conduct in the Order through the Effective Date of this Agreement.

4.2. **Incorporation of Recitals.** The Recitals set forth above are incorporated into and form a part of this Agreement.

4.3. **Submission of Reports.** PNTN shall send any report or other information PNTN is obligated to provide to the Division under this Agreement by certified mail or any other method agreed upon by the Parties to: Title Insurance Section at 100 W. Randolph Street, 9th Floor, Chicago, Illinois 60601.

4.4. **Binding Effect.** The terms of this Agreement inure to the benefit of and are binding upon the Parties and each of their directors, officers, employees, attorneys, or other internal or external affiliated persons or entities as well as any heirs, successors, assigns or other agencies to which legislators transfer regulatory authority over title insurance companies.

4.5. **Governing Law.** The laws of the state of Illinois govern this Agreement, and any court or other tribunal interpreting this Agreement shall construe this Agreement in accordance with those laws, excluding any choice-of-law rules that would require the application of another jurisdiction’s laws. Also, the Parties agree to file any lawsuit asserting a dispute arising under or relating to this Agreement in a state or federal court of competent jurisdiction in Chicago, Illinois,

and they agree that such court shall have jurisdiction and venue for the purpose of interpreting and enforcing this Agreement.

4.6. **Integration.** This Agreement constitutes the entire agreement between the Parties with respect to its subject matter and supersedes any prior or contemporaneous oral or written agreements and discussions relating to its subject matter.

4.7. **Severability.** If any provision of this Agreement is deemed unenforceable by a court of competent jurisdiction, the remaining provisions will continue to be valid and enforceable to the maximum extent provided by law.

4.8. **Headings.** The headings in this Agreement are solely for the purposes of reference and shall not be given any effect in the interpretation of this Agreement.

4.9. **Survival.** Any provision of this Agreement that by its context is intended to apply after termination will survive this Agreement, including but not limited to the provisions in Section 4.

4.10. **Authorization.** Each person who executed this Agreement on behalf of its organization represents and warrants that he or she has been duly authorized and empowered to execute and deliver this Agreement on behalf of such Party, and that he or she has obtained all necessary approvals.

4.11. **Signatures.** This Agreement may be executed in counterparts and by email, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with each of the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to the Parties. Signatures emailed in portable document format (PDF) shall be acceptable and deemed binding on the Parties as if they were originals.

4.12. **Necessary Acts.** The Parties agree to perform any and all acts necessary or reasonably required in order to effectuate this Agreement or to comply with its terms.

4.13. **Costs.** Except as stated in Section 3, each Party will pay its own costs and expenses, including attorneys' fees, incurred in connection with the Proceeding.

WHEREFORE, the Parties have duly executed this Agreement:

PROFESSIONAL NATIONAL TITLE NETWORK

Date: _____ By: _____

Name: _____
Dudley Moss

Title: _____
Vice President

**ILLINOIS DEPARTMENT OF FINANCIAL &
PROFESSIONAL REGULATION, DIVISION OF
FINANCIAL INSTITUTIONS**

Date: _____

By: _____
(Signature)

Name: _____
(Print or Type)

Title: _____
(Print or Type)