

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE

In the Matter of:)
)
ALASKA USA TITLE AGENCY, LLC)
)
)
Licensee)
)
_____)

Case No. D 14-27

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Alaska USA Title Agency, LLC (AUTA), the licensee in this case, stipulate and agree to the following:

I. BACKGROUND

A. AUTA holds Alaska title insurance limited producer license number 71252.

B. On or about March 3, 2014, the division approved a new compliance officer for AUTA.

C. In April, 2014, the new compliance officer contacted the division seeking clarification of the licensing requirements for any person transacting title insurance in the state and expressing concern over the licensing status of AUTA staff.

D. Based on the compliance officer's disclosure that AUTA employees may have engaged in unlicensed activities or functions that would require a license, the division

requested AUTA to submit a notarized statement indicating what business had been transacted during the questionable time period as well as identify the employees that engaged in activities or functions that would require a license.

E. To determine whether any statutory violations occurred, the division reviewed the files of AUTA and known individuals associated with the firm and requested additional clarification and a new notarized statement. The division also requested a listing of individuals that AUTA had executed an employee contract with under AS 21.27.215 to determine who was authorized to represent AUTA in title transactions.

F. On or about September 17, 2014, the division received an updated notarized statement from AUTA.

G. The division's review of the submitted information revealed that AUTA did not have a designated compliance officer between August 18, 2012 and May 24, 2013.

H. AS 21.27.020(c)(3) requires, as a general qualification for a license, that a firm insurance producer designate one or more compliance officers for the firm.

I. ~~The executive director of Alaska USA Federal Credit Union, the entity that~~
The President of AUTA
~~owns and operates AUTA,~~ confirmed that 3,964 transactions occurred during the period AUTA
had no designated compliance officer. These transactions subject AUTA to civil penalties
under AS 21.27.440.

II. TERMS OF AGREEMENT

1. AUTA agrees to pay a civil penalty under AS 21.27.440 in the amount of \$279,000 for the unlicensed activity that occurred between August 18, 2012 and May 24, 2013, with \$224,000 suspended. The unsuspended penalty of \$55,000.00 is payable within 12 months from the time AUTA has been notified that the director has signed the order adopting this agreement.

2. In the event that AUTA violates Alaska insurance laws during the next two years, the suspended portion of the penalty referenced in paragraph one will be reinstated. AUTA also will be subject to any and all sanctions authorized by the insurance laws including imposition of additional penalties regarding any such violation. Any additional sanctions and penalties will not be imposed on AUTA's past unlicensed activity, which was the subject of the division's investigation and has been fully and finally settled and resolved by this Stipulated Agreement and Order.

3. By signing this agreement, AUTA understands and agrees that any failure to comply with the conditions of this agreement will be grounds to revoke, suspend, or not renew Alaska title insurance limited producer license number 71252.

4. AUTA understands that this agreement is not binding on the parties unless and until the director signs the order adopting this agreement.

DATED: 12/22/14

DIVISION OF INSURANCE

By: Linda Brunette
Linda Brunette
Program Coordinator

DATED: 12/19/14

ALASKA USA TITLE AGENCY, LLC

By: Cynthia Jo Landreth
Cynthia Jo Landreth
Compliance Officer
Alaska USA Title Agency, LLC

Approved as to form and content:

DATED: 1/02/15

CRAIG W. RICHARDS
ATTORNEY GENERAL

By: Erin K. Egan
Erin K. Egan
Assistant Attorney General

ORDER

IT IS ORDERED that this Stipulated Agreement and Order is adopted in full resolution of the issues in this case, and shall constitute the final order in this matter.

DATED this 9th day of January, 2015

Lori K. Wing-Heier
Lori K. Wing-Heier
Director