

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
AMERICAN TITLE & ESCROW, INC.
LICENSE NO. 331754

A.I.D. NO. 2009- 080

EMERGENCY LICENSE SUSPENSION ORDER

On this day the emergency matter of American Title & Escrow, Inc., ("American Title") came before Jay Bradford, Arkansas Insurance Commissioner ("Commissioner"). The Arkansas Insurance Department ("Department") was represented by Nina Samuel Carter, Associate Counsel. From the facts before the Commissioner, it is found:

1. The Commissioner has jurisdiction over the parties and subject matter pursuant to Ark. Code Ann. § 23-61-103 and the authority to issue emergency license suspensions under Ark. Code Ann. § 23-64-216(e), § 23-64-512(a), and § 23-103-416.

2. American Title is currently licensed in Arkansas as a resident title insurance agency, license number 331754. American Title holds Arkansas resident title insurance agency license number 331754 and has been licensed with the Department since April of 2008. Craig Underwood is the president of American Title, but does not hold a title insurance agent license. American Title's address of record at the Department is 3606 Southern Hills Boulevard, Rogers, AR 72758.

3. American Title was cancelled as an agent for Stewart Title Guaranty Company ("Stewart Title") in September 2008 on a sixty-day cancellation, effective November 2008, because Stewart Title alleges that American Title failed to make prior

lien payoffs with money received at closings. Stewart Title states that it was made aware of the unpaid prior liens when the FBI contacted the local Stewart Title office in Arkansas to inquire about American Title.

4. Stewart Title conducted an audit of American Title in August 2008 and determined that lien payoffs in at least the aggregate amount of \$1,946,520.94 have not been transmitted to the appropriate lienholders. These payoffs were to be made in connection with mortgage loan closings for which Stewart Title insurance policies had been issued or for which Stewart Title is obligated to issue. The Audit conducted by Stewart Title also revealed that American Title failed to remit to Stewart Title insurance premiums collected from customers for several real estate transactions closed by American Title in the amount of \$2,182.52.

5. According to information gathered during the audit and provided by Stewart Title, American Title had not performed bank account reconciliation for one year prior to the audit, American Title did not maintain accounting records, and American Title failed to timely report policies.

6. The actions of American Title and its representatives, as described in the preceding paragraphs, are in violation of the Insurance Code for: Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business, in violation of Ark. Code Ann. § 23-64-512(a)(4); Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, lack of good personal or business reputation or financial irresponsibility, in violation of Ark. Code Ann. § 23-64-512(a)(8); and Failing to pay prior

liens, in breach of the fiduciary duty as a licensee to treat these moneys as trust funds, in violation of Ark. Code Ann. § 23-64-223.

7. At the upcoming hearing, the Department seeks administrative penalties and sanctions, up to and including revocation of the Arkansas title insurance licenses of American Title based on the above allegations.

IT IS THEREFORE ORDERED AND ADJUDGED, as follows:

1. Due to the gravity of the allegations and averments, it is found that a public emergency exists for the immediate suspension of American Title's title insurance licenses.

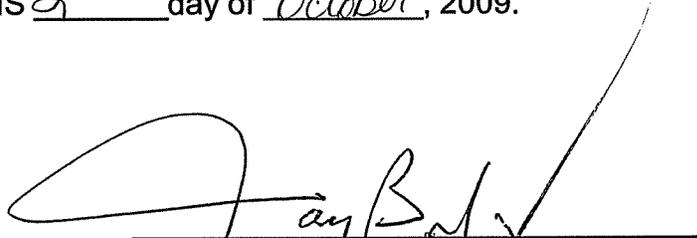
2. Pursuant to Ark. Code Ann. §§ 23-64-216(e) and 23-103-416, any and all licenses issued by the Department whether acquired by American Title for being a broker, agent, agency, solicitor, or consultant in this State, are hereby suspended, pending a promptly instituted hearing on the above matter. American Title's failure to appear at the administrative hearing will prompt a recommendation to the Commissioner and the hearing officer to immediately revoke all insurance licenses issued to American Title.

3. The Department shall notify American Title's appointing insurance companies of this action pursuant to Ark. Code Ann. § 23-64-217(a)(3).

4. The Department reserves the right to amend and/or supplement the facts contained in this Order to include additional violations of state law, with notice to American Title.

5. A Notice of Hearing is enclosed. At the Hearing, the Department will seek to revoke all insurance licenses of American Title based on the above allegations.

IT IS SO ORDERED THIS 2nd day of October, 2009.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS