

BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS

FINAL ORDER

Effective: 03-20-07

In the Matter of Northland Title
Services, LLC

)
)

Docket No. 3588-SO

SUMMARY ORDER

Pursuant to the authority granted to the Commissioner of Insurance by Kansas Statutes Annotated (“K.S.A.”) K.S.A. 40-2,125 and 40-2407,

I, Sandy Praeger, the duly elected and qualified Commissioner of Insurance of the State of Kansas, hereby make the following findings of fact, conclusions of law, and order, to wit:

Findings of Fact

1. Northland Title Services, LLC (“Northland Title”) is a title insurance agency authorized to transact the business of insurance in the State of Kansas with its office located at 104 NE 72nd Street, Suite G, Gladstone, MO 74118, and is subject to statutes regulating the business of insurance.

2. The Commissioner of Insurance (“the Commissioner”) has jurisdiction over the subject matter of this proceeding, and this proceeding is held in the public interest.

3. On July 6, 2004, the Kansas Insurance Department (“KID”) issued a summary order, docket number 3346-SO, against Northland Title for violating K.S.A. 40-952(c).

4. The summary order became a final order on July 26, 2004.

5. In June, 2006, the Office of the Kansas State Bank Commissioner notified KID that its office fined Northland Title \$5,000 for violating Kansas Statutes Annotated (“K.S.A.”) 9-2211(b)(1), K.S.A. 9-2211(b)(2), and K.S.A. 9-2212(f).

6. On or about August 1, 2006, KID contacted Northland Title and inquired about any controlled business arrangements between Victory Mortgage.

7. On August 1, 2006, Northland Title advised KID that 53.9 percent of its closed title orders originated from controlled business for the year 2005.

8. On November 1, 2006, KID issued a summary order, docket number 3588-SO, against Northland Title for violating K.S.A. 40-2404(9)(h) and fined Northland Title \$5,000.

9. Northland Title did not file a Notice of Appeal before November 27, 2006.

10. The summary order became final on November 27, 2006.

11. Northland Title did not remit \$5,000 to KID as ordered in the summary order.

12. On January 16, 2007, KID issued an additional order suspending the license of Northland Title for failing to file an appeal of the previously issued order and failing to remit the penalty imposed by KID.

13. Northland Title did not file a Notice of Appeal before February 6, 2007.

14. The summary order became final on February 6, 2007.

Conclusions of Law

1. K.S.A. 40-2,125(a) provides, in relevant part:

(1) If the commissioner determines after notice and opportunity for a hearing that any person engaged or is engaging in any act or practice constituting a violation of any provision of Kansas insurance statutes or any rule and regulation or order thereunder, the commissioner may in the exercise of discretion, order... payment of a monetary penalty of not more than \$1,000 for each and every act or violation, unless the person knew or reasonably should have known such person was in violation of the Kansas insurance statutes or any rule and regulation or order thereunder, in which case the penalty shall be not more than \$2,000 for each and every violation.

(2) suspension or revocation of the person's license or certificate if such person knew or reasonably should have known that such person was in violation of... any... order thereunder...

2. K.S.A. 40-2407(a) provides, in relevant part:

If, after such hearing, the commissioner shall determine that the person charged has engaged in an unfair method of competition or an unfair or deceptive act or practice, the commissioner shall render an order requiring such person to cease and desist from engaging in such method of competition, act or practice and if the act or practice is a violation of K.S.A. 40-2404 and amendments thereto, the commissioner may in the exercise of discretion order any one or more of the following:

(2) suspension or revocation of the person's license or certificate if such person knew or reasonably should have known that such person was in violation of this act...

3. K.S.A. 40-2407(a) provides, in relevant part:

After the expiration of the time allowed for filing a petition for review if no such petition has been duly filed within such time, the commissioner may at any time, after notice and opportunity for hearing in accordance with the provisions of the Kansas administrative procedure act, reopen and alter, modify or set aside, in whole or in part, any order issued under this section, whenever in the commissioner's opinion conditions of fact or of law have so changed as to require such action or if the public interest shall so require.

4. Based on the information contained in Findings of Facts, it appears that Northland Title Services, LLC. failed to file a timely appeal of Summary Order, Docket Number 3588-SO, and failed to remit to the Kansas Insurance Department the penalty imposed by the Department.

5. Based on the information contained in Findings of Facts, it appears that Northland Title Services, LLC. knew or reasonably should have known that the agency was in violation of K.S.A. 40-952(c) and Summary Order, Docket Number 3588-SO.

**IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE,
ORDERED THAT:**

1. The license of Northland Title Services, LLC is hereby revoked effective immediately.

2. Northland Titles Services, LLC shall remit \$5,000 to the Kansas Insurance Department as ordered in the summary order dated November 1, 2006.

3. The Commissioner of Insurance retains jurisdiction over this matter to issue any and all further Orders deemed appropriate or to take such further action as necessary to dispose of this matter.

Notice of Right to Hearing or Appeal

You are entitled to a hearing pursuant to K.S.A. § 77-537, the Kansas Administrative Procedure Act. If you desire a hearing, you must file a written request for a hearing with:

John W. Campbell, General Counsel
Kansas Insurance Department
420 S.W. 9th Street
Topeka, Kansas 66612.

This request must be filed within fifteen (15) days from the date of service of this Order. If you request a hearing, the Kansas Insurance Department will notify you of the time and place of the hearing and information on the procedures, right of representation, and other rights of parties relating to the conduct of the hearing, before commencement of same.

If a hearing is not requested in the time and manner stated above, this Order shall become effective as a Final Order upon the expiration of time for requesting a hearing, pursuant to K.S.A. § 77-613. In the event that you file a petition for judicial review, pursuant to K.S.A. § 77-613(e), the agency officer to be served on behalf of the Kansas Insurance Department is:

John W. Campbell, General Counsel
 Kansas Insurance Department
 420 S.W. 9th Street
 Topeka, Kansas 66612.

IT IS SO ORDERED THIS 20th DAY OF MARCH, 2007, IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



/s/ Sandy Praeger _____
 Sandy Praeger
 Commissioner of Insurance
 BY:

/s/ John W. Campbell _____
 John W. Campbell
 General Counsel

SUBMITTED AND APPROVED BY:

_/s/ Deletria L. Nash _____
Deletria L. Nash
Attorney for Petitioner
Kansas Insurance Department

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the above and foregoing Summary Order was served by placing the same in the United States Mail, first class postage prepared, on this 2nd day of March, 2007, addressed to the following:

Northland Title Services, LLC
104 NE 72nd Street, Suite G
Gladstone, MO 74118

_/s/ Deletria L. Nash _____
Deletria L. Nash
Assistant General Counsel