

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF KANSAS**

In the Matter of

UNITED LENDER SERVICES CORP
FEIN #204070174-000

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Docket No. 4223-CO

CONSENT ORDER

The Kansas Insurance Department (“KID”) and United Lender Services Corp. (“ULS”) wish to resolve the above-captioned matter before the Commissioner of Insurance without formal adjudication by entering into this Consent Order. The Commissioner of Insurance (“Commissioner”) hereby makes the following Findings of Fact, Conclusions of Law, and Orders. This Consent Order shall become effective as a Final Order, without further notice, upon the expiration of the fifteen (15) day period if no request for hearing is made, pursuant to K.S.A. §77-542.

FINDINGS OF FACT

The parties stipulate that if a hearing were conducted in this matter, the following evidence could be adduced by the Commissioner, and although neither admitted nor denied by ULS, would be recognized as admissible to show the following:

1. ULS became a licensed non-resident title insurance agency and therefore authorized to issue title insurance in Kansas on January 7, 2008.
2. Filing information was provided to ULS in January, 2008.

3. KID received an audit report on April 9, 2009, filed by Old Republic National Title Insurance Company as required by K.S.A. 40-1137 indicating that ULS was writing title insurance policies in Kansas.
4. KID discovered that ULS had not filed its bond or filed its rates and audits with KID and notified ULS of this failure to file on or about May 24, 2010.
5. Upon the request of KID, on or about July 28, 2010, ULS submitted a listing of all policies that had been written in the State of Kansas during 2008, 2009 and 2010.
6. On or about July 28, 2010, ULS submitted the required bond and a copy of its rates and charges.

APPLICABLE LAW

K.S.A. 40-1139 requires title insurers handling escrow, settlement or closing accounts to “ ... file with the commissioner a surety bond or irrevocable letter of credit in a form acceptable to the commissioner”

K.S.A. 40-952(c) prohibits any charge for title insurance for transactions in counties having a population of 10,000 or more unless the rate and other specified documents have been filed with KID.

K.S.A. 40-1141 provides that if the commissioner determines that the title insurance agent has violated this act ... the commissioner may order that such person be subject to the penalties provided in K.S.A. 40-2406 et seq.

Violations of the above statutes authorize actions under the following Kansas statutes:

K.S.A. §40-2407(a)(1) authorizes the Commissioner to order payment of penalties up to \$1,000 for each violation (\$5,000 if reasonably should have known) with an aggregate penalty of \$10,000 (“ ... but not to exceed an aggregate of \$50,000 in any six-month period.”).

K.S.A. §40-2407(a)(2) authorizes the Commissioner to suspend or revoke a person’s license “ ... if the person reasonably should have known such person was in violation of the act.”

CONCLUSIONS OF LAW

**IT IS THEREFORE, AGREED UPON BY THE COMMISSIONER OF INSURANCE
AND ULS:**

1. ULS has submitted the required rates and charges, bond and audits to KID in satisfaction of the Kansas statutes and regulations.
2. The inadvertent failure to file of ULS was not done with knowledge that same was a violation of the act.
3. Upon receiving notification of its inadvertent failure to file, ULS complied fully and in a timely manner with the requests of KID.

4. ULS agrees to make a payment of Five Hundred Dollars and 00/100 (\$500.00) to KID.
5. Upon this Consent Order becoming a Final Order and payment received, this action shall be dismissed with prejudice.
6. If payment is not made as required, KID may vacate and/or declare this Consent Order void and proceed with a hearing.

Notice of Right to Hearing or Appeal

You are entitled to a hearing pursuant to K.S.A. 2009 Supp. 77-537, the Kansas Administrative Procedure Act and K.S.A. 40-955. 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 10th DAY OF November, 2010, 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

Approved and Submitted by:

 /s/ John Wine
John Wine
Staff Attorney

 /s/ Robert D. Franco
Robert D. Franco, COO
United Lender Services Corp

CERTIFICATE OF SERVICE

The undersigned hereby certifies that above and foregoing **Consent Order** was served via the United States Postal Service, first-class postage prepaid, on this _____ day of _____, 2010, addressed to the following:

Ms. Carla Roell
United Lender Services Corp
2000 Cliffmine Road, Suite 610
Pittsburgh, PA 15275

John Wine
Staff Attorney