

No. **2023-7740**

**Official Order
of the
Texas Commissioner of Insurance**

Date: 01/17/2023

Subject Considered:

Texas Heritage Title, LLC
d/b/a Heritage Title & Abstract
135 S Mount St
Fairfield, Texas 75840-1531

Consent Order
TDI Enforcement File No. 30835

General remarks and official action taken:

This is a consent order with Texas Heritage Title, LLC (Texas Heritage). Texas Heritage failed to timely submit annual trust fund account audit reports, failed to timely submit the Title Agent's Unencumbered Assets Certification, and failed to timely submit the Title Agent Certification of Agent's Quarterly Tax Reports. Texas Heritage has agreed to pay an administrative penalty of \$40,000.

Waiver

Texas Heritage acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Texas Heritage waives these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

1. Texas Heritage, firm identification number 92332, holds a title insurance agency license issued by the Texas Department of Insurance (TDI) on January 19, 2007.

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2. TDI conducted a comprehensive compliance audit of Texas Heritage on August 12, 2022, pursuant to TEX. INS. CODE § 2602.103.
3. Title agencies are required to file an annual trust fund account audit report prepared by a certified public accountant with the department. The report is due before the 91st day after the end of the agency's fiscal year.
4. Texas Heritage's fiscal year ends on December 31st each year and the annual trust fund account audit report is due March 31st.
5. TDI discovered during the compliance audit that Texas Heritage did not timely submit annual trust fund account audit reports for the years 2019, 2020, and 2021.
6. The 2019 annual audit report for Texas Heritage was received by the department on January 14, 2022, approximately 21 months late.
7. The 2020 annual audit report for Texas Heritage was received by the department on January 14, 2022, approximately 9 months late.
8. The 2021 annual audit report for Texas Heritage was received by the department on August 31, 2022, approximately 5 months late.
9. Title agencies, including Texas Heritage, are required to file with TDI the Title Agent's Unencumbered Assets Certification (Form T-S1). Form T-S1 must be submitted annually to TDI between September 1 and September 30 of each year.
10. TDI discovered during the compliance audit that Texas Heritage failed to timely submit Form T-S1 during September in 2015, 2016, 2019, and 2020. Texas Heritage submitted late reports for 2014 (submitted March 31, 2015), 2018 (submitted October 10, 2018) and 2021 (submitted May 12, 2022).
11. Title agencies, including Texas Heritage, are required to file with TDI the Title Agent Certification of Agent's Quarterly Tax Reports (Form T-S5). Form T-S5 must be submitted to TDI no later than 45 days after the end of the quarter.
12. Texas Heritage failed to timely submit Form T-S5 for all quarters of 2015; 2016; 2017; the second, third, and fourth quarters of 2019; all quarters of 2020; 2021; and the first quarter of 2022. All four quarters of 2018 were submitted late as of May

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13, 2019. The T-S5 form was submitted for all of 2021 and the first quarter of 2022 as of May 12, 2022.

13. The Commissioner previously disciplined Texas Heritage for violating TEX. INS. CODE § 2651.151 in Official Order No. 2020-6220, entered on January 30, 2020, for failing to timely submit annual trust fund account audit reports.

Conclusions of Law

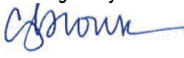
1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 2651.001-2651.154; and 28 TEX. ADMIN. CODE § 9.1, which adopts by reference the *Basic Manual of Rules, Rates, and Forms for the Writing of Title Insurance in the State of Texas*.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. Texas Heritage has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Texas Heritage violated TEX. INS. CODE §§ 2651.151-2651.157 by failing to timely submit an annual trust fund account audit report.
5. Texas Heritage violated Administrative Rule S.1 of the Basic Manual by failing to timely file the Title Agent's Unencumbered Assets Certification.
6. Texas Heritage violated Administrative Rule S.5 of the Basic Manual by failing to timely file the Title Agent Certification of Agent's Quarterly Tax Reports.

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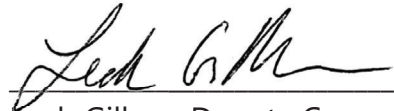
Order

It is ordered that Texas Heritage Title, LLC pay an administrative penalty of \$40,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

DocuSigned by:

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Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Sydney Moore, Staff Attorney
Enforcement

Affidavit

STATE OF Texas §

COUNTY OF Freesone §

Before me, the undersigned authority, personally appeared Michelle Fowler who being by me duly sworn, deposed as follows:

"My name is Michelle Fowler. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

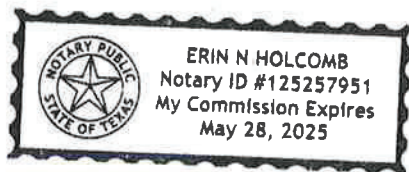
I hold the office of Manager and am the authorized representative of Texas Heritage Title, LLC. I am duly authorized by said organization to execute this statement.

Texas Heritage Title, LLC has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

Michelle Fowler
Affiant

SWORN TO AND SUBSCRIBED before me on January 12, 2023.

(NOTARY SEAL)



ERIN N HOLCOMB
Signature of Notary Public

ERIN N HOLCOMB
Printed Name of Notary Public