

No. **2016-4840**

**OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE**

Date: DEC 07 2016

Subject Considered:

CAPITAL TITLE OF TEXAS, LLC
2400 Dallas Parkway, Suite 560
Plano, Texas 75093-4381

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 10980

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against Capital Title of Texas, LLC which holds a title agency license issued by the Texas Department of Insurance.

Waiver

Capital Title of Texas, LLC acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. Capital Title of Texas, LLC waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Pursuant to TEX. INS. CODE § 82.055(b), Capital Title of Texas, LLC agrees to this consent order with the express reservation that it does not admit to a violation of any provision of the Insurance Code or rule or regulation of the department and Capital Title of Texas, LLC maintains the existence of any violation is in dispute.

Findings of Fact

1. Capital Title of Texas, LLC holds title agency license no. 1877619, which was issued on May 15, 2000, and is effective through June 1, 2018.
2. Capital Title of Texas, LLC began participating in the Homes for Heroes program on May 11, 2012.
3. Capital Title of Texas, LLC paid \$6,000 (\$500 per month) over a twelve month period from May 2012 to May 1, 2013, for a webpage listing that indicated it participated in the Homes for Heroes program, www.homesforheroes.com. The program provides closing fee discounts to "heroes," who include veterans, police officers, fire fighters, teachers, emergency medical technicians, health care workers, and other individuals who provided quality services to the public.

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4. Capital Title of Texas, LLC provided eight discounts of \$150 each off escrow fees directly to customers through the Homes for Heroes program between July, 2012, and February, 2013. Each of the customers received an equal discount to their respective escrow fees.
5. As recently as April 4, 2016, a webpage on the Homes for Heroes website included Capital Title of Texas, LLC's name and logo, and stated: "Capital Title of Texas – Houston, \$150 Discount on Escrow Fees." The webpage directed Texas consumers to contact an office of Capital Title of Texas, and provided a link to its webpage. Capital Title of Texas, LLC did not authorize this advertisement. It did not locate records that it provided discounts related to the advertisement. Capital Title of Texas, LLC's Houston office was not aware of the Homes for Heroes program.
6. Capital Title of Texas, LLC maintains that the intent in offering the reduced escrow fees to veterans and first responders was solely for community support for our heroes.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 84.021-84.022, and 2502.051; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has the authority to dispose of this case informally pursuant to the provisions of TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 82.055 and 36.104, and 28 TEX. ADMIN. CODE § 1.47.
3. Capital Title of Texas, LLC violated TEX. INS. CODE § 2502.051, which prohibits a commission, rebate, discount, portion of a title insurance premium, or other thing of value from being directly or indirectly paid, allowed, or permitted by a person engaged in the business of insurance or received or accepted by a person for engaging in the business of title insurance or for soliciting or referring title insurance.

Order

The commissioner orders Capital Title of Texas, LLC to pay an administrative penalty of \$7,000. The penalty must be paid in full on or before 30 days from the entry of this Order. The administrative penalty must be paid by cashier's check or money order made payable to the "State of Texas" and transmitted to the Texas Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.



David Mattax
Commissioner of Insurance

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For the Staff:

Jammi Ricketts
Jammi Ricketts, Staff Attorney
Compliance Division, Enforcement Section
Texas Department of Insurance

Affidavit

State of Texas §
County of Collin §
§

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

"My name is Tracy McMahon. 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 Chief Operations Officer and am the authorized representative of Capital Title of Texas, LLC. I am duly authorized by said organization to execute this statement.

Capital Title of Texas, LLC waives rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner.

Capital Title of Texas, LLC voluntarily enters into this consent order. Capital Title of Texas, LLC consents to the issuance and service of this consent order."

Tracy McMahon
Affiant

SWORN TO AND SUBSCRIBED before me on November 9, 2016.

Linda Ann Hodges
Signature of Notary Public

(Notary Stamp)

