

No. **2024-8735**

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

**Date: 7/16/2024**

**Subject Considered:**

N Title, Inc  
480 Wildwood Forest Dr Ste 800  
The Woodlands, Texas 77380-2649

Consent Order  
TDI Enforcement File No. 34724

**General remarks and official action taken:**

This is a consent order with N Title, Inc (N Title). The Texas Department of Insurance (TDI) conducted a compliance audit and found violations of the Texas Insurance Code and Texas Administrative Code. N Title has agreed to pay an administrative penalty of \$10,000.

**Waiver**

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

**Findings of Fact**

1. N Title, firm identification number 116886, holds a title agency license with an underwriter qualification issued by TDI on March 15, 2016.
2. Beginning in February 2024, TDI conducted a comprehensive compliance audit of N Title's operations (the Audit) and found several violations of the Texas Insurance Code and the *Texas Title Insurance Basic Manual* (Basic Manual).

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### Unappointed Person Performing Duties of an Escrow Officer

3. TDI found that N Title permitted Kindra Wessel (Wessel), a licensed escrow officer, to act as its escrow officer without appointing her. Between May 9, 2023, and September 12, 2023, Wessel closed at least 76 files for N Title which included signing settlement statements, title commitment, and escrow checks.

### Escrow Accounting Errors

4. Comprehensive audit procedures were performed on escrow accounting records for November and December 2023 for a Wells Fargo Bank account ending in 8324. The review confirmed that although balances shown for these files were correct, there were problems that resulted in the escrow liability being misstated.
5. The review revealed that the December outstanding checklist included three invalid outgoing wires.
  - a. A wire (\$1,874) was booked on December 14, 2023, but not wired out until February 21, 2024. All three parts of the three-way reconciliation were understated.
  - b. Two wires were booked for a file causing a debit balance (\$3,888) in December 2023. The wire booked for \$3,880 should have been voided and a \$8 deposit should have been reimbursed to the file. The wire was not voided until January 2, 2024, and the \$8 shortage was not reimbursed until February 20, 2024. All three parts of the three-way reconciliation were understated.
  - c. A wire (\$1,420.62) was booked on December 26, 2023, but not wired out. A check was issued on January 2, 2024, to replace the wire. The wire should have been voided in December. All three parts of the three-way reconciliation were understated.
6. A stale-dated outstanding check, dating back to November 2021, was not investigated or appropriately cleared.

### Minimum Escrow Accounting Procedures and Internal Controls

7. The actual amounts disbursed for recording fees did not agree with the amounts shown on the supporting documentation.

Guaranty Files

8. Comprehensive audit procedures were performed on 20 guaranty files, and 15 files were reviewed for specific items. The following violations were found:
  - a. Disbursements were made before all funds for the transaction were received (one file).
  - b. The disbursement payee for document preparation did not agree to the settlement statement (one file).
  - c. Debit balance was caused by disbursing more funds than authorized (one file).
  - d. The premium calculated on the owner's policy was incorrect (one file).
  - e. All parties receiving a portion of the real estate commission were not disclosed on the settlement statement (four files).
  - f. Further action was needed to clear the balance of four files over three years old.

Mitigating Circumstances

9. N Title has represented that it has implemented new internal procedures to ensure all escrow officers have been properly appointed, has updated procedures to identify any accounting errors or issues more quickly, and expanded its Post-Closing Department to accommodate new procedures which will improve current stale-dated and dormant funds processes.
10. N Title has represented that it has updated procedures and completed refresher training with employees regarding funding and disbursement of escrow files, compliance with minimum escrow account procedures and internal controls, and disclosures required on settlement statements.
11. N Title has represented that it has refunded the overcharge on the incorrect premium and advised escrow officers to review premium calculations to ensure accuracy.

**Conclusions of Law**

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 2501.004, 2602.151, 2651.008, 2651.013, 2651.151, 2651.202, 2651.301, 2652.001, 2702.053, 2703.153, and 2704.001; and 28 TEX. ADMIN. CODE § 9.1 adopting the *Texas Title Insurance Basic Manual*.

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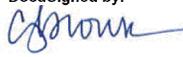
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2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. N Title has knowingly and voluntarily waived all procedural 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. N Title allowed unappointed individuals to perform the duties of an escrow officer in violation of TEX. INS. CODE § 2652.001 and Administrative Rule L-2.
5. N Title failed to reimburse escrow shortages within 45 days in violation of Section V of the Basic Manual, at requirement no. 17.
6. N Title failed to maintain minimum escrow accounting requirements, in violation of Section V of the Basic Manual, at requirement no. 16.
7. N Title had errors on guaranty files in violation of TEX. INS. CODE § 2651.202, Procedural Rule P-27, TEX. INS. CODE § 2702.053, Rate Rule R-1, and Title Bulletin No. 160.

## Order

It is ordered that N Title pay an administrative penalty of \$10,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which TDI will send after entry of this order.

DocuSigned by:  
  
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Cassie Brown  
Commissioner of Insurance

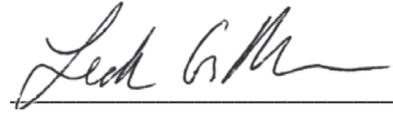
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Recommended and reviewed by:



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Leah Gillum, Deputy Commissioner  
Fraud and Enforcement Division



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Sydney Moore, Staff Attorney  
Enforcement

**Affidavit**

STATE OF Texas §  
§  
COUNTY OF Harris §

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

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

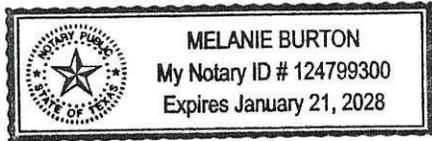
I hold the office of President and am the authorized representative of N Title, Inc. I am duly authorized by said organization to execute this statement.

N Title, Inc 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."

[Signature]  
Affiant

SWORN TO AND SUBSCRIBED before me on July 2nd, 2024.

(NOTARY SEAL)



[Signature]  
Signature of Notary Public

Melanie Burton  
Printed Name of Notary Public