

100965

RECEIVED IN AGENT SERVICES A.S. - N.C.D.O.I.	
DEC 11 2013	
CHECK NO.	[REDACTED]
CHECK AMT.	\$250.00
PROCESSOR	

**NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA**

**BEFORE THE COMMISSIONER  
OF INSURANCE**

**STATE OF NORTH CAROLINA  
COUNTY OF WAKE**

**IN THE MATTER OF THE LICENSURE OF  
SURETY LENDER SERVICES, LLC  
NATIONAL PRODUCER NO. 2227415  
LICENSE NO. 100027549  
ASD CASE NO. 27577**

**VOLUNTARY SETTLEMENT  
AGREEMENT**

NOW COME Surety Lender Services, LLC (hereinafter "Surety Lender") and the North Carolina Department of Insurance (hereinafter "the Department"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter, "the Agreement");

WHEREAS, the Department has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing insurance agents, brokers, limited representatives, and adjusters; and

WHEREAS, Surety Lender currently holds a nonresident producer license issued by the Department; and

WHEREAS, Surety Lender entered into a Stipulation for Entry of Final Agency Order before the Colorado Division of Insurance (hereinafter "the Colorado Division") on August 3, 2012 wherein the Colorado Division alleged that Surety Lender had issued ten (10) Colorado title commitments for the issuance of owner's policies, since May 1, 2010, and had been making use of generic exceptions, on Colorado title commitments for the issuance of owner's policies, since May 1, 2010 in violation of Colorado Insurance Regulations; and

WHEREAS, on August 17, 2012, a Final Agency Order was entered by the Commissioner of Insurance for the State of Colorado ordering Surety Lender to refrain from using generic exceptions on Colorado title commitments for the issuance of owner's policies; to reissue each and every owner's policy previously issued after May 1, 2010, and to remove all generic exceptions contained in the policies; and to pay a civil penalty to the Division in the amount of \$5,000.000, with \$2,500.00 of the penalty stayed and the balance of \$2,500.00 to be assessed a 10% surcharge for a total balance due of \$2,750.00; and

WHEREAS, N.C. Gen. Stat. § 58-33-32(k) requires a producer to report to the Department any administrative action taken against the producer in another state within thirty days after final disposition of the matter; and

WHEREAS, Surety Lender failed to inform the Department of the Final Agency Order entered against it by the Colorado Division within thirty days after final disposition; and

WHEREAS, Surety Lender's failure to inform the Department within thirty dates of final disposition is in violation of N.C. Gen. Stat. § 58-33-32(k); and

WHEREAS, this violation provides the Department with an adequate basis to initiate an administrative proceeding to suspend or revoke Surety Lender's license and to assess a monetary penalty against Surety Lender; and

WHEREAS, Surety Lender has agreed to settle, compromise and resolve the matters referenced in this Agreement, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against Surety Lender; and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-2-70(g), the Commissioner of Insurance and the Department have the express authority to negotiate a mutually acceptable agreement with any person as to the status of the person's license or certificate issued by the Department, or as to any civil penalty or restitution; and

WHEREAS, the Parties mutually wish to resolve this matter by consent before the Department initiates an administrative hearing concerning this violation.

**NOW THEREFORE**, in consideration of the promises and agreements set out herein, and other good and valuable consideration, the Department and Surety Lender hereby agree to and waive any objections to the following:

1. Surety Lender shall pay a civil penalty of **two hundred fifty dollars (\$250.00), due immediately upon execution of this Agreement**. This signed Agreement and check for the penalty should be received by the Department (Attention: Gilda Thompson, ASD) no later than **January 3, 2014**. The check for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." This civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of the public schools.
2. Surety Lender enters into this Agreement freely and voluntarily and with knowledge of its right to have an administrative hearing on this matter.
3. Surety Lender voluntarily waives any right to notice of an administrative hearing and any right to a hearing on the violations and disciplinary actions referenced in this Agreement. Surety Lender also waives any right to appeal and agrees not to challenge the validity of this Agreement in any way.
4. The promises, agreements, representations and consideration contained herein are not

mere recitals but are contractual in nature.

5. The Department agrees that it will not initiate any additional administrative actions based on the violations referenced herein, provided that Surety Lender does not violate the terms and conditions of this Agreement and that the Department does not discover any additional violations or grounds for discipline. The Agreement does not in any way affect the Department's disciplinary power in any other cases or complaints involving Surety Lender.
6. This Agreement, when finalized, will be a public record and is not confidential. Any and all licenses issued by the Department to the licensee shall reflect that Regulatory Action has been taken against the licensee following the execution of this Agreement. The Department is free to disclose the contents of this Agreement with third parties upon request or pursuant to any law or policy providing for such disclosure. The Department routinely provides copies of voluntary settlement agreements to all companies that have appointed the licensee.
7. This written document contains the entire Agreement between the Parties. There are no other oral or written agreements of any kind that alter or add to this Agreement.
8. The Parties agree that the Superior Court of Wake County shall be the venue for any actions seeking to enforce this Agreement.
9. If, for any reason, any part or provision of this Agreement is found to be void; or unenforceable, the other parts and provisions shall remain in full force and effect.
10. This Agreement shall have the full force and effect of an Order of the Commissioner.
11. This Agreement shall become effective when signed by Surety Lender and the Department.

SURETY LENDER SERVICES, LLC

By: \_\_\_\_\_

Date: Dec. 5, 2013

NORTH CAROLINA DEPARTMENT OF INSURANCE

By: \_\_\_\_\_

Angela K. Ford  
Senior Deputy Commissioner

Date: December 13, 2013

