



**DEPARTMENT OF INSURANCE, FINANCIAL  
INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

**In the Matter of:**

**COMMUNITY TITLE  
SERVICES, LLC**

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**DIFP Case No. 140821633C**

**CONSENT ORDER**

John M. Huff, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration, takes up the above matter for consideration and disposition. The Consumer Affairs Division, through legal counsel Cheryl C. Nield, and Community Title Services, LLC ("CTS"), have reached a settlement in this matter and have consented to the issuance of this Consent Order.

1. John M. Huff is the duly appointed Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration ("Director" of the "Department") whose duties, pursuant to Chapters 374, 375, and 381, RSMo,<sup>1</sup> include the supervision, regulation and discipline of insurance producers.

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<sup>1</sup> All statutory references are to the 2013 Supplement to the Revised Statutes of Missouri unless otherwise noted.

2. The Department's Consumer Affairs Division ("Division") has the duty of conducting investigations into the unfair or unlawful acts of insurance producers and companies under the insurance laws of this state and has been authorized by the Director to investigate and initiate actions before the Director to enforce the insurance laws of this state, including insurance producer application refusal.

3. The Department first issued a business entity insurance producer license to CTS on November 8, 2010. Following a renewal, CTS' license was due to expire on November 8, 2014.

4. On November 7, 2014, the Director issued his Order Refusing to Renew a Business Entity Insurance Producer License as to CTS ("Refusal Order").

5. On November 10, 2014, CTS filed a Complaint with the Administrative Hearing Commission ("AHC") appealing the Refusal Order.

6. Also on November 10, 2014, CTS filed a Motion for Stay of the Refusal Order.

7. On December 3, 2014, the AHC granted CTS' Motion for Stay. That stay continues in effect.

8. In May 2012, the Division received a consumer complaint from Beverly Crawford regarding CTS and its sole owner at that time, Sara Carey ("Carey"). Crawford complained about a transaction in 2011 where she sold real property located at 3316-18 Belt Avenue, St. Louis, Missouri 63120 ("the Belt property" and "the Belt property transaction") where Carey was the closing agent for the buyer. Crawford indicated that Carey and CTS closed the Belt property transaction without insuring that the outstanding

bill for sewer services on the property was paid, even though the buyer had agreed to pay such charges outside of closing.

9. As part of the Belt property transaction, Carey disbursed funds to others before depositing funds from the buyer and others, including disbursing funds to the lender holding the mortgage on the Belt property before receiving purchaser funds in escrow. By Carey's actions, CTS thus violated § 381.412.2, which, generally, prohibits disbursement of funds from escrow for a transaction until funds are received in escrow for that transaction.

10. On June 26, 2012, Division Investigative Consultant Kathleen Jolly ("Jolly") sent a Division inquiry letter to Carey and CTS ("June 26, 2012 Division inquiry letter").

11. CTS' response to that June 26, 2012 Division inquiry letter was inadequate, pursuant to 20 CSR-4.100(2)(A).

12. CTS acknowledges and understands that under § 375.141.1(2), the Director may refuse to renew CTS' business entity insurance producer license because it violated a Missouri regulation, to wit: Title 20 CSR 100-4.100(2)(A), in that CTS' response to the June 26, 2012 Division inquiry letter was inadequate.

13. CTS acknowledges and understands that under § 375.141.1(2), the Director may refuse to renew CTS' business entity insurance producer license because it violated § 381.412.2, in that CTS disbursed money from its escrow before corresponding funds were on deposit in CTS's escrow relative to the Belt property transaction.

14. CTS acknowledges and understands that it has the right to consult counsel at its own expense. CTS is represented by Timothy R. Gerding with Evans & Dixon, LLC.

15. CTS stipulates and agrees to waive any waivable rights that it may have to a hearing before the Administrative Hearing Commission or the Director, and any rights to seek judicial review or other challenge or contest of the terms and conditions of this Consent Order, and forever releases and holds harmless the Department, the Director and his agents, and the Division from all liability and claims arising out of, pertaining to, or relating to this matter.

16. CTS acknowledges and understands that this Consent Order is an administrative action and will be reported by the Department to other states. CTS further acknowledges and understands that this administrative action should be disclosed on future license applications and renewal applications in this state and in other jurisdictions and that CTS is responsible for complying with the reporting requirements of each state in which it may be licensed.

17. Each signatory to this Consent Order certifies by signing that he or she is fully authorized, in his or her own capacity, or by the named party he or she represents, to accept the terms and provisions of this Consent Order in their entirety, and agrees, in his or her personal or representational capacity, to be bound by the terms of this Consent Order.

18. The parties agree that neither party is the prevailing party, and each party will bear its own attorneys' fees and costs.

### **Conclusions of Law**

19. The facts admitted by CTS are grounds to refuse to renew its Missouri business entity insurance producer license application pursuant to § 375.141.1(2).

20. Section 375.141.1 states, in part, as follows:

The director may suspend, revoke, refuse to issue or refuse to renew an insurance producer license for any one or more of the following causes:

\* \* \*

(2) Violating any insurance laws, or violating any regulation, subpoena or order of the director or of another insurance commissioner in any other state[.]

21. Section 381.412.2 provides:

It is unlawful for any title insurer, title agency, or title agent, as defined in section 381.009, to make any payment, disbursement or withdrawal from an escrow account which it maintains as a depository of funds received from the public for the settlement of real estate transactions unless a corresponding deposit of funds was made to the escrow account for the benefit of the payee or payees:

(1) At least ten days prior to such payment, disbursement, or withdrawal; or

(2) Which consisted of certified funds; or

(3) Consisted of a check made exempt from this section by the provisions of subsection 1 of this section.

22. Section 381.412 is an insurance law.

23. Title 20 CSR 100-4.100(2)(A) Required Response to Inquiries by the Consumer Affairs Division, provides:

Upon receipt of any inquiry from the division, every person shall mail to the division an adequate response to the inquiry within

twenty (20) days from the date the division mails the inquiry. An envelope's postmark shall determine the date of mailing. When the requested response is not produced by the person within twenty (20) days, this nonproduction shall be deemed a violation of this rule, unless the person can demonstrate that there is reasonable justification for that delay.

24. The Director may impose orders in the public interest under § 374.046.

25. The terms set forth in this Consent Order are an appropriate disposition of this matter and entry of this Consent Order is in the public interest.

### **ORDER**

IT IS ORDERED that the Department will renew CTS' business entity insurance producer license subject to the conditions and as set forth herein:

1. CTS shall provide in writing to the Division all of its current phone numbers, including cell phone numbers, an email address, and a mailing address.

2. CTS shall inform the Division in writing of any change to all current phone numbers, email addresses, and mailing addresses.

3. CTS shall inform the Division in writing of any intent to change CTS' owners, officers, members, managers, or corporate/entity structure no later than fifteen business days before effectuating such change. Carey is prohibited from becoming an owner, officer, member, manager, designated responsible licensed producer, qualified principal, employee, consultant, or volunteer of or for CTS.

4. CTS shall report to the Division any violation of or failure to comply with the laws and regulations set forth in Chapters 374, 375, and 381 within five business days of such violation or failure to comply.

5. CTS shall respond to all inquiries from the Division in accordance with 20 CSR 100-4.100(2)(A). The parties agree that should CTS need an extension of time to respond to any Division inquiry letter beyond the deadline articulated in the letter, that the Division may provide such extension of time within its sole discretion. Further, the parties agree that any extension of time so granted shall bind the parties, and that CTS' failure to respond to a Division inquiry letter within the time provided by any Division-granted extension shall constitute a violation of this Consent Order and a failure to provide a timely response to said Division inquiry letter and, therefore, a violation of 20 CSR 100-4.100(2)(A). If CTS requires an extension of time to reply to any Division inquiry letter, it must seek that extension of time before the previous deadline to reply, whether extended or not, expires.

6. If a consumer complaint is communicated directly to CTS or its owners, officers, members, or managers, CTS shall send the Department a copy of the complaint and a copy of CTS' response to the consumer within five business days of the receipt of the consumer complaint.

7. CTS shall report to the Division any administrative action taken against CTS by any other state or federal governmental agency in Missouri or other jurisdiction within five business days of the final disposition of such administrative action.

8. CTS shall report to the Division any and all of the following incidents involving CTS or any of its owners, officers, members, or managers: arrest, guilty plea, nolo contendere plea, *Alford* Plea, finding of guilt, or conviction concerning a felony or

misdemeanor. CTS shall report all such incidents to the Division within five (5) business days of their occurrence.

9. CTS shall report to the Division within five (5) business days of the receipt of any information that any underwriter contracted with CTS is terminating such contract and provide the Division with all documents relating to the termination.

10. The special conditions listed in paragraphs 1 through 9, above, will expire two years from the date this Consent Order is issued.

IT IS FURTHER ORDERED that if CTS complies with the terms of this Consent Order, then CTS may apply again to renew its business entity insurance producer license in 2016 and the Director shall consider the renewal application in accordance with Chapters 374, 375, and 381, RSMo, without regard to the underlying conduct outlined in this Consent Order.

IT IS FURTHER ORDERED that, within ten (10) days of the full and final execution of this Consent Order, CTS will dismiss with prejudice its Complaint in *Community Title Services, LLC v. Dir., Dep't of Ins., Fin. Insts., and Prof'l Reg'n*, No. 14-1763 DI (Mo. Admin. Hrg. Comm'n) by having its attorney sign the attached document, titled "Dismissal with Prejudice" and labelled Exhibit A. CTS shall forward Exhibit A, with CTS's attorney's signature affixed, to the Director, who then agrees to have his counsel sign Exhibit A and file the "Dismissal with Prejudice" with the Administrative Hearing Commission. If CTS fails to sign and return Exhibit A dismissing its complaint in this manner and within this timeframe, this Consent Order will become null, void, and of no effect.



IT IS FURTHER ORDERED that, contemporaneously with the Director filing the above-noted Dismissal with Prejudice with the Administrative Hearing Commission, the Department will renew CTS's business entity insurance producer license, #8061112.

IT IS FURTHER ORDERED that, upon the filing of the Dismissal with Prejudice with the Administrative Hearing Commission, the Refusal Order dated November 7, 2014 is vacated.

IT IS FURTHER ORDERED that if CTS violates or otherwise fails to comply with the terms and conditions of this Consent Order, the Director may pursue additional legal remedies, as the Director determines appropriate and without limitation, as authorized by Chapters 374, 375, and 381 RSMo.

SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 2<sup>ND</sup>  
DAY OF FEBRUARY, 2016.



  
JOHN M. HUFF  
Director, Missouri Department of  
Insurance, Financial Institutions and  
Professional Registration

**CONSENT AND WAIVER OF HEARING**

The undersigned persons understand and acknowledge that Community Title Services, LLC may have a right to a hearing, but that Community Title Services, LLC has waived the hearing and consented to the issuance of this Consent Order.



Community Title Services, LLC

By: Leslie Trice

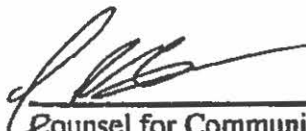
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Date



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Date