

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF
AMERICAN TITLE & ESCROW, INC.
LICENSE NO. 331754**

A.I.D. NO. 2009-080A

CONSENT REVOCATION ORDER

On this day, Jay Bradford, Arkansas Insurance Commissioner ("Commissioner"), and Craig Underwood ("Respondent"), as owner of American Title & Escrow, Inc., ("American Title") reached an agreement concerning the resident title insurance agency license issued to American Title by the Arkansas Insurance Department ("Department"). The Commissioner was represented by Nina Samuel Carter, Associate Counsel. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law as set forth below. From the facts and law before the Commissioner, he finds as follows:

1. American Title's Resident Title Insurance Agency License No. 331754 was placed on emergency suspension on October 2, 2009, pursuant to A.I.D. Order No. 2009-080. American Title let its agency license lapse on September 30, 2009; however, the agency license still qualified for renewal and, thus, remains under jurisdiction of the Department.

2. American Title was licensed as an Arkansas resident title insurance agency since April of 2008. Craig Underwood is the president of American Title, but does not hold a title insurance agent license. American Title's address of record at the Department is 3606 Southern Hills Boulevard, Rogers, AR 72758.

3. American Title was cancelled as an agent for Stewart Title Guaranty Company ("Stewart Title") in September 2008 on a sixty-day cancellation, effective

November 2008, because Stewart Title alleges that American Title failed to make prior lien payoffs with money received at closings. Stewart Title states that it was made aware of the unpaid prior liens when the FBI contacted the local Stewart Title office in Arkansas to inquire about American Title.

4. Stewart Title conducted an audit of American Title in August 2008 and determined that lien payoffs in at least the aggregate amount of \$1,946,520.94 have not been transmitted to the appropriate lienholders. These payoffs were to be made in connection with mortgage loan closings for which Stewart Title insurance policies had been issued or for which Stewart Title is obligated to issue. The Audit conducted by Stewart Title also revealed that American Title allegedly failed to remit to Stewart Title insurance premiums collected from customers for several real estate transactions closed by American Title in the amount of \$2,182.52.

5. According to information gathered during the audit and provided by Stewart Title, American Title had not performed bank account reconciliation for one year prior to the audit, American Title did not maintain accounting records, and American Title failed to timely report policies.

6. For the above actions, the Department alleges that the actions of American Title and its representatives are in violation of the Insurance Code for: Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business, in violation of Ark. Code Ann. § 23-64-512(a)(4); Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, lack of good personal or business reputation or financial irresponsibility, in violation of Ark. Code Ann. § 23-64-512(a)(8); and Failing to pay prior liens, in breach of the fiduciary duty as a licensee to treat these moneys as trust funds, in violation of Ark. Code Ann. § 23-64-223.

CONCLUSIONS OF LAW

1. That the Commissioner has jurisdiction over the parties and over the subject matter herein pursuant to Ark. Code Ann. § 23-61-103 and § 23-103-416.

2. That Respondent has been made fully aware of his right to a hearing and has voluntarily and intelligently waived said right and consents to the entry of this Consent Order.

THEREFORE, in consideration of these Findings of Fact and Conclusions of Law, it is hereby ordered and agreed that:

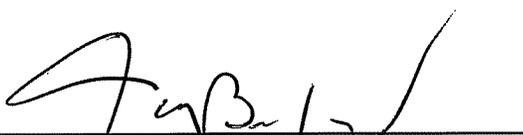
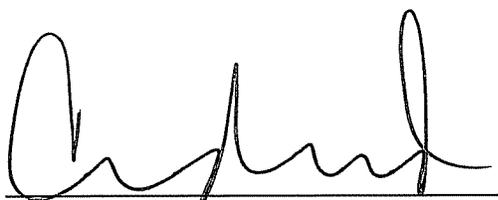
A. American Title's resident Arkansas title insurance agency licenses are hereby voluntarily surrendered for immediate revocation by the Department.

B. Pursuant to Ark. Code Ann. § 23-64-218(a)(1), Respondent shall immediately forward to the Insurance Commissioner all insurance producer and agency licenses.

C. The Department shall notify Respondent and American Title's appointing insurance companies of this action pursuant to Ark. Code Ann. § 23-64-217(a)(3).

D. The Department reserves the right to supplement this Order with subsequent complaints received, most particularly including restitution.

IT IS SO ORDERED THIS 10th day of December 2009.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS

CRAIG UNDERWOOD
RESPONDENT
PRESIDENT
AMERICAN TITLE & ESCROW, INC.