

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

**IN THE MATTER OF:**

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) **AID No.: 2011-011**

**CLEAR TITLE, LLC**

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**CONSENT ORDER**

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On this day Jay Bradford, Arkansas Insurance Commissioner (“Commissioner”), and James B. Patterson (“Respondent”), as President of Clear Title, LLC, (“Clear Title”) reached an agreement concerning the resident title insurance agency license issued to Clear Title by the Arkansas Insurance Department (“Department”). The Commissioner was represented by Nina Samuel Carter, Associate Counsel. The Respondent voluntarily and intelligently waived his right to a hearing and consented to the entry of this Consent Order. The parties agreed as follows:

**FINDINGS OF FACT**

1. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. § 23-61-103.
2. Clear Title’s Resident Title Insurance Agency License Number 325550 went to Inactive status on or before December 17, 2009, due to the termination of its company appointment by Stewart Title Guaranty Company (“Stewart Title”) and its affiliated agents. However, the agency license is still qualified for renewal and, thus, remains under the jurisdiction of the Department.
3. Clear Title has been licensed with the Department since February 1, 2008. James Patterson is the president of Clear Title, but does not hold a title insurance agent license. Clear Title’s last address of record at the Department is P.O. Box 5608, North Little Rock, Arkansas 72119.
4. Clear Title’s appointment was terminated by Stewart Title without cause.
5. Upon account audit and policy review of Clear Title, Stewart Title discovered that premium payments owed to Stewart Title had not been remitted.

6. As of September 28, 2010, Respondent owed approximately \$16,550.45 to Stewart Title in unremitted premium payments.

### CONCLUSIONS OF LAW

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

8. Ark. Code Ann. § 23-64-223 provides as follows:

(a) All funds, fees, moneys, premiums, or return premiums received by a licensee in the capacity as a licensee shall be trust funds so received by the licensee in a fiduciary capacity, and the licensee shall in the applicable regular course of business account for and pay these funds, fees, moneys, premiums, or return premiums to the insured, insurer, licensee, or any other person entitled thereto.

(b) Any licensee who, not being lawfully entitled thereto, diverts or appropriates those funds or any portion thereof to his or her own use shall upon conviction be guilty of theft of property and shall be punished as provided by law.

9. The Department, based on the Findings of Fact, above, concludes that Respondent and Clear Title failed to pay premiums to the insurer, breaching the fiduciary duty as a licensee to treat these moneys as trust funds, in violation of Ark. Code Ann. § 23-64-223.

10. The Respondent admits to the Findings of Fact, above, and concedes that the Conclusions of Law herein are fair and reasonable.

### ORDER

**NOW THEREFORE**, on the basis of the foregoing and the waiver of the Respondent of the right to a hearing and appeal under the Arkansas Uniform Administrative Procedures Act, Ark. Code Ann. §§ 25-15-201, *et seq.*, and the admission

by the Respondent of the jurisdiction of the Commissioner, the Commissioner finds that the Respondent has consented to the entry of this Order and that the following Order is appropriate and in the public interest.

**IT IS HEREBY ORDERED** that:

A. Respondent's resident Arkansas title insurance agency license is hereby REVOKED;

B. Respondent shall immediately remit to Stewart Title all monies due and owing to Stewart Title, including but not limited to, \$16,550.45;

C. Pursuant to Ark. Code Ann. § 23-64-218(a)(1) and (2), Respondent shall immediately forward to the Commissioner all insurance producer licenses issued to Respondent by the Department;

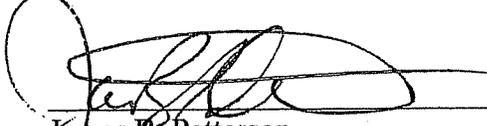
D. The Commissioner will not consider any application for licensure from the Respondent until the expiration of three (3) years from the date of this Order. The Commissioner may consider this Order and the facts set forth herein in determining whether to grant any future application; and

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

**IT IS SO ORDERED THIS** 15<sup>th</sup> day of <sup>February</sup> ~~January~~, 2011.

  
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JAY BRADFORD  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

APPROVED FOR ENTRY

  
\_\_\_\_\_  
James B. Patterson  
Clear Title, LLC

  
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