

RECEIVED
INSURANCE DEPARTMENT

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

2011 AUG -5 PM 12:01

ADMIN HEARINGS OFFICE

IN RE:	:	VIOLATIONS:
	:	
REO LAND SERVICES, INC.	:	40 P.S. §§ 310.11(20), 910-24.2 and
429 Forbes Avenue, Suite 1201	:	910-27
Pittsburgh, Pennsylvania 15219	:	
	:	
and	:	
	:	
KIMBERLY A. MACKEY	:	
344 Western Avenue	:	
Oakdale, Pennsylvania 15071	:	
	:	
	:	
Respondents	:	Docket No. CO11-03-003

CONSENT ORDER

AND NOW, this *2ND* day of *August*, 2011, this Order is hereby issued by the Insurance Department of the Commonwealth of Pennsylvania pursuant to the statutes cited above and in disposition of the matter captioned above.

1. Respondents hereby admit and acknowledge that they have received proper notice of their rights to a formal administrative hearing pursuant to the Administrative Agency Law, 2 Pa.C.S.A. §101, et seq., or other applicable law.

2. Respondents hereby waive all rights to a formal administrative hearing in this matter, and agree that this Consent Order, and the Findings of Fact and Conclusions of Law contained herein, shall have the full force and effect of an Order

duly entered in accordance with the adjudicatory procedures set forth in the Administrative Agency Law, supra, or other applicable law.

FINDINGS OF FACT

3. The Insurance Department finds true and correct each of the following

Findings of Fact:

- (a) Respondent is REO Land Services, and maintained its address at 429 Forbes Avenue, Suite 1201, Pittsburgh 15219-1622.
- (b) Co-Respondent is Kimberly A. Mackey and maintains an address at 344 Western Avenue, Oakdale, PA 15071.
- (c) Co-Respondent was a qualified acting officer for REO Land Services, Inc.
- (d) Respondents conducted title insurance transactions in Pennsylvania and Florida.
- (e) Respondent REO Land Services, Inc. and the Pennsylvania Insurance Department received a complaint involving misappropriation of funds, related to a title insurance transaction in October 2009. The total was approximately \$30,000.00.

- (f) Pennsylvania Insurance Department investigated the complaint and concluded the post settlement disbursements were made that were not disclosed on the HUD settlement statement, and contained otherwise inaccurate information.
- (g) Respondents did not maintain books and records as required under Pennsylvania insurance law.
- (h) Respondent REO Land Services, Inc. filed for bankruptcy protection in 2010.
- (i) Respondents agreed to revocation of their title insurance licenses.

CONCLUSIONS OF LAW

4. In accord with the above Findings of Fact and applicable provisions of law, the Insurance Department concludes and finds the following Conclusions of Law:

- (a) Respondents are subject to the jurisdiction of the Pennsylvania Insurance Department.
- (b) 40 P.S. § 310.11(20) prohibits a licensee or an applicant from demonstrating a lack of general fitness, competence or reliability sufficient to satisfy the Department that the licensee is worthy of licensure.

- (c) Respondents' activities described above in paragraphs 3(e) through 3(g) violate 40 P.S. § 310.11(20).
- (d) Respondents' violations of Section 310.11(20) are punishable by the following, under 40 Purdons Statutes, Section 310.91:
- (i) suspension, revocation or refusal to issue the license;
 - (ii) imposition of a civil penalty not to exceed five thousand dollars (\$5,000.00) for every violation of the Act;
 - (iii) an order to cease and desist; and
 - (iv) any other conditions as the Commissioner deems appropriate.
- (e) 40 P.S. § 910-24.2 requires that title agents shall assume financial responsibility for all of the acts which the agent was appointed to perform by the title insurance company.
- (f) Respondents' activities described above in paragraphs 3(e) through 3(g) violate 40 P.S. § 910-24.2.
- (g) 40 P.S. § 910-27, requires every agent of a title insurance company to keep the books, records, accounts and vouchers pertaining to the business of title insurance, in such manner that the commissioner or his authorized

representative may readily ascertain from time to time, whether or not the agent has complied with all the applicable provisions of this Act;

- (h) Respondents' activities described above in paragraph 3(g) violate 40 P.S. § 910-27.

- (i) Respondents' violations of 40 Purdons Statutes, Sections 910-24.2 and 910-27 are punishable under Section 910-48: Imposition a penalty of not more than \$500 for each violation, or a penalty of not more than \$5,000 for each willful violation, in addition to any other penalty provided by law.

ORDER

5. In accord with the above Findings of Fact and Conclusions of Law, the Insurance Department orders and Respondents consent to the following:

- (a) All licenses of Respondents to do the business of insurance are hereby revoked.

- (b) If Respondents should ever become licensed in the future, their licenses may be immediately suspended by the Department following its investigation and determination that (i) any terms of this Order have not been complied with,

or (ii) any complaint against Respondents is accurate and a statute or regulation has been violated. The Department's right to act under this section is limited to a period of five (5) years from the date of issuance of such licenses.

- (c) Respondents specifically waive their right to prior notice of said suspension, but will be entitled to a hearing upon written request received by the Department no later than thirty (30) days after the date the Department mailed to Respondents by certified mail, return receipt requested, notification of said suspension, which hearing shall be scheduled for a date within sixty (60) days of the Department's receipt of Respondent's written request.
- (d) At the hearing referred to in paragraph 5(c) of this Order, Respondents shall have the burden of demonstrating that they are worthy of an insurance license.
- (e) In the event Respondents' licenses are suspended pursuant to paragraph 5(b) above, and Respondents either fail to request a hearing within thirty (30) days or at the hearing fail to demonstrate that they are worthy of a license, Respondents' suspended licenses shall be revoked.
- (f) Respondents specifically waive the right to prior notice of said suspension, but will be entitled to a hearing upon written request received by the

Department no later than thirty (30) days after the date the Department mailed to Respondents by certified mail, return receipt requested, notification of said suspension, which hearing shall be scheduled for a date within sixty (60) days of the Department's receipt of Respondents' written request.

(g) At the hearing referred to in paragraph 5(d) of this Order, Respondents shall have the burden of demonstrating that they are worthy of a license.

(h) In the event Respondents' licenses are suspended pursuant to paragraph 5(c) above, and Respondents either fail to request a hearing within thirty (30) days or at the hearing fail to demonstrate that they are worthy of a license, Respondents' suspended licenses shall be revoked.

6. In the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, based upon the Findings of Fact and Conclusions of Law contained herein, it may, in its discretion, pursue any and all legal remedies available, including but not limited to the following: The Insurance Department may enforce the provisions of this Order in the Commonwealth Court of Pennsylvania or in any other court of law or equity having jurisdiction; or the Department may enforce the provisions of this Order in an administrative action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

7. Alternatively, in the event the Insurance Department finds that there has been a breach of any of the provisions of this Order, the Department may declare this Order to be null and void and, thereupon, reopen the entire matter for appropriate action pursuant to the Administrative Agency Law, supra, or other relevant provision of law.

8. In any such enforcement proceeding, Respondents may contest whether a breach of the provisions of this Order has occurred but may not contest the Findings of Fact and Conclusions of Law contained herein.

9. Respondents hereby expressly waives any relevant statute of limitations and application of the doctrine of laches for purposes of any enforcement of this Order.

10. This Order constitutes the entire agreement of the parties with respect to the matters referred to herein, and it may not be amended or modified except by an amended order signed by all the parties hereto.

11. This Order shall be final upon execution by the Insurance Department. Only the Insurance Commissioner or the duly authorized delegee is authorized to bind the Insurance Department with respect to the settlement of the alleged violation of law

contained herein, and this Consent Order is not effective until executed by the Insurance Department or a duly authorized delegee.

BY: 
KIMBERLY A. MACKEY individually and
on behalf of REO LAND SERVICES, INC.,
Respondents


RONALD A. GALLAGHER, JR.
Deputy Insurance Commissioner
Commonwealth of Pennsylvania

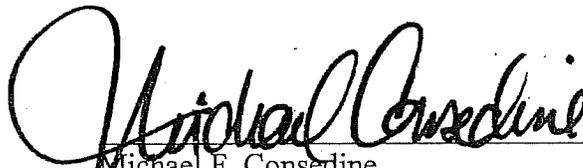
BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

IN RE: The Act of April 9, 1929, P.L. 177, No. 175, known as The
Administrative Code of 1929

AND NOW, this 27th day of April, 2011, Ronald A.

Gallagher, Deputy Insurance Commissioner, is hereby designated as the Commissioner's
duly authorized representative for purposes of entering in and executing Consent Orders.

This delegation of authority shall continue in effect until otherwise terminated by a later
Order of the Insurance Commissioner.


Michael F. Consedine
Insurance Commissioner

