



STATE OF NEW YORK
INSURANCE DEPARTMENT
25 BEAVER STREET
NEW YORK, NEW YORK 10004

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In the Matter of

**FIRST AMERICAN TITLE INSURANCE COMPANY
and FIRST AMERICAN TITLE INSURANCE
COMPANY OF NEW YORK,**

STIPULATION
No. 2006- 0122-S

Respondents.
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WHEREAS, Respondent First American Title Insurance Company is a California corporation with its principal place of business in Santa Ana, California, and is a holding company within the meaning of Article 15 of the New York Insurance Law ("Insurance Law") which wholly owns and controls Respondent First American Title Insurance Company of New York, which is a title insurance corporation organized under the Insurance Law authorized to transact title insurance business in the State of New York;

WHEREAS, pursuant to the provisions of Executive Law § 63 (12), General Business Law § 349 and the common law of the State of New York, the office of Eliot Spitzer, Attorney General of the State of New York ("OAG") caused an investigation to be made of Respondents First American Title Insurance Company and First American Title Insurance Company of New York (collectively, "Respondents"), relating to the payment of rebates and certain referral fees in or from the State of New York; and the Superintendent of Insurance of the State of New York ("Superintendent") and the New York State Insurance Department ("Department"), pursuant to the provisions of Insurance Law §§ 305, 309, 310, 2301 *et seq.* and 6401 *et seq.*, conducted an investigation of Respondents on the same subject matter (together, both investigations are referred to as the "Investigation") and also conducted an examination of Respondent First American Title Insurance Company of New York on the subject matter of the investigations and on the manner in which Respondents conduct their business practices and fulfill their contractual obligations to policyholders and claimants (the "Examination");

WHEREAS, the Investigation has been resolved pursuant to an Assurance of Discontinuance Pursuant to Executive Law § 63(15), dated May 22, 2006 (the "Assurance"), a copy of which is annexed hereto and incorporated herein;

WHEREAS, the Examination is continuing and has not yet been resolved;

WHEREAS, the Investigation has resulted in certain findings of fact regarding the business practices of the Respondents, as set forth in the Assurance;

WHEREAS, based upon the aforementioned findings of fact, the Attorney General and the Superintendent have determined that Respondents have violated New York law by paying illegal rebates and referral fees;

WHEREAS, based upon the foregoing, Respondents may be charged with violations of the Insurance Law and/or Department Regulations;

WHEREAS, Respondents have been advised and are aware of their statutory right to notice and a hearing on any such charges;

WHEREAS, Respondents are cooperating with the Investigation and the Examination and have adopted and under the Assurance and this Stipulation will continue to implement a number of business reforms and remedial actions;

WHEREAS, the Superintendent finds the relief and agreements contained in the Assurance and this Stipulation appropriate and in the public interest; and

WHEREAS, Respondents desire to resolve any such possible charges related to the Investigation by entering into a Stipulation on the terms and conditions hereinafter set forth in lieu of proceeding with a hearing in this matter; **NOW THEREFORE**,

IT IS HEREBY STIPULATED AND AGREED by and between the Respondents and the Department, subject to the approval of the Superintendent, as follows:

1. Respondents waive their right to further notice and hearing in this matter, and agree to fully comply with all of the terms and conditions of the Assurance.

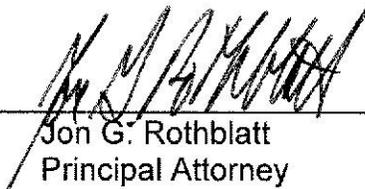
2. This Stipulation shall resolve all issues resolved in the Assurance. The parties each reserve all their rights with respect to any additional determinations or actions the Superintendent may take on issues not resolved in the Assurance.

3. Respondents agree to cooperate fully in the Examination and all Department examinations of Respondents and in all Department investigations of current or former employees of Respondents or licensees of the Department.

4. Respondents acknowledge that this Stipulation may be used against them in any future Department proceeding if there is reason to believe the terms of the Assurance or this Stipulation have been violated by Respondents, or if the Department institutes disciplinary action against any Respondent for any reason other than the acts considered herein.

Dated: New York, NY
May 22, 2006

NEW YORK STATE INSURANCE DEPARTMENT

By: 

Jon G. Rothblatt
Principal Attorney

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____
Name:
Title:

FIRST AMERICAN TITLE INSURANCE COMPANY
OF NEW YORK

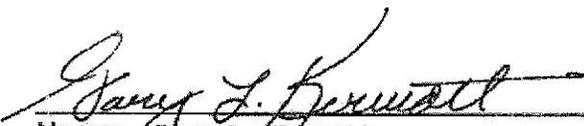
By: _____
Name:
Title:

Dated: New York, NY
May , 2006

NEW YORK STATE INSURANCE DEPARTMENT

By: _____
Jon G. Rothblatt
Principal Attorney

FIRST AMERICAN TITLE INSURANCE COMPANY

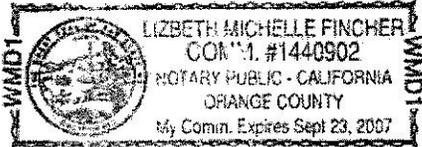
By:  _____
Name: Gary L. Kermott
Title: President

FIRST AMERICAN TITLE INSURANCE COMPANY
OF NEW YORK

By: _____
Name:
Title:

STATE OF California)
COUNTY OF Orange)ss.:

On this 22 day of May, 2006 before me personally came Gary L. Kermott, to me known, who, being by me duly sworn, did depose and say that he/~~she~~ is the President of First American Title Insurance Company, the corporation described in and which executed the above instrument on behalf of each of the entities listed above; and that he/~~she~~ signed his/~~her~~ name thereto by order of the board of directors of said corporation.



Lizbeth Michelle Fincher
Notary Public

STATE OF)
COUNTY OF)ss.:

On this _____ day of May, 2006 before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he/she is the _____ of First American Title Insurance Company of New York, the corporation described in and which executed the above instrument on behalf of each of the entities listed above; and that he/she signed his/her name thereto by order of the board of directors of said corporation.

Notary Public

THE FOREGOING STIPULATION IS HEREBY APPROVED.

Dated: New York, NY
May , 2006

HOWARD MILLS
Superintendent of Insurance

By: _____
Susan Donnellan
Deputy General Counsel

Dated: New York, NY
May , 2006

NEW YORK STATE INSURANCE DEPARTMENT

By: _____
Jon G. Rothblatt
Principal Attorney

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____
Name:
Title:

FIRST AMERICAN TITLE INSURANCE COMPANY
OF NEW YORK

By: _____
Name: *JAMES M. ORPHANIDES*
Title: *PRESIDENT, CEO + CHAIRMAN*

J.M.O. 5/22/06

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On this 22nd day of May, 2006 before me personally came JAMES ORPHANIDES, to me known, who, being by me duly sworn, did depose and say that he/she is the PRESIDENT, CEO + CHAIRMAN of First American Title Insurance Company, the corporation described in and which executed the above instrument on behalf of each of the entities listed above; and that he/she signed his/her name thereto by order of the board of directors of said corporation.



Notary Public

STATE OF)
)ss.:
COUNTY OF)

ELIZABETH KRYONERIS
Notary Public, State Of New York
No. 01KR6088084
Qualified In Nassau County
Commission Expires March 17, 2007

On this _____ day of May, 2006 before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he/she is the _____ of First American Title Insurance Company of New York, the corporation described in and which executed the above instrument on behalf of each of the entities listed above; and that he/she signed his/her name thereto by order of the board of directors of said corporation.

Notary Public

THE FOREGOING STIPULATION IS HEREBY APPROVED.

Dated: New York, NY
May , 2006

HOWARD MILLS
Superintendent of Insurance

By: _____
Susan Donnellan
Deputy General Counsel

J.M.O. 5/24/06

